

The NATIONAL UNDERWRITER



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THURSDAY, OCTOBER 14, 1937



Bird's Nest Soup

INCLUDED in the contents of General Stores in Singapore—insured by the Royal-Liverpool Groups—are such delicacies (specifically mentioned in the policies) as edible birds' nests and fish maws.

The nests, greatly prized by many orientals, are made by a species of swiftlets of the Pacific and Indian islands, and for the most part are used in the making of soups. The nests are sold for their weight in silver.

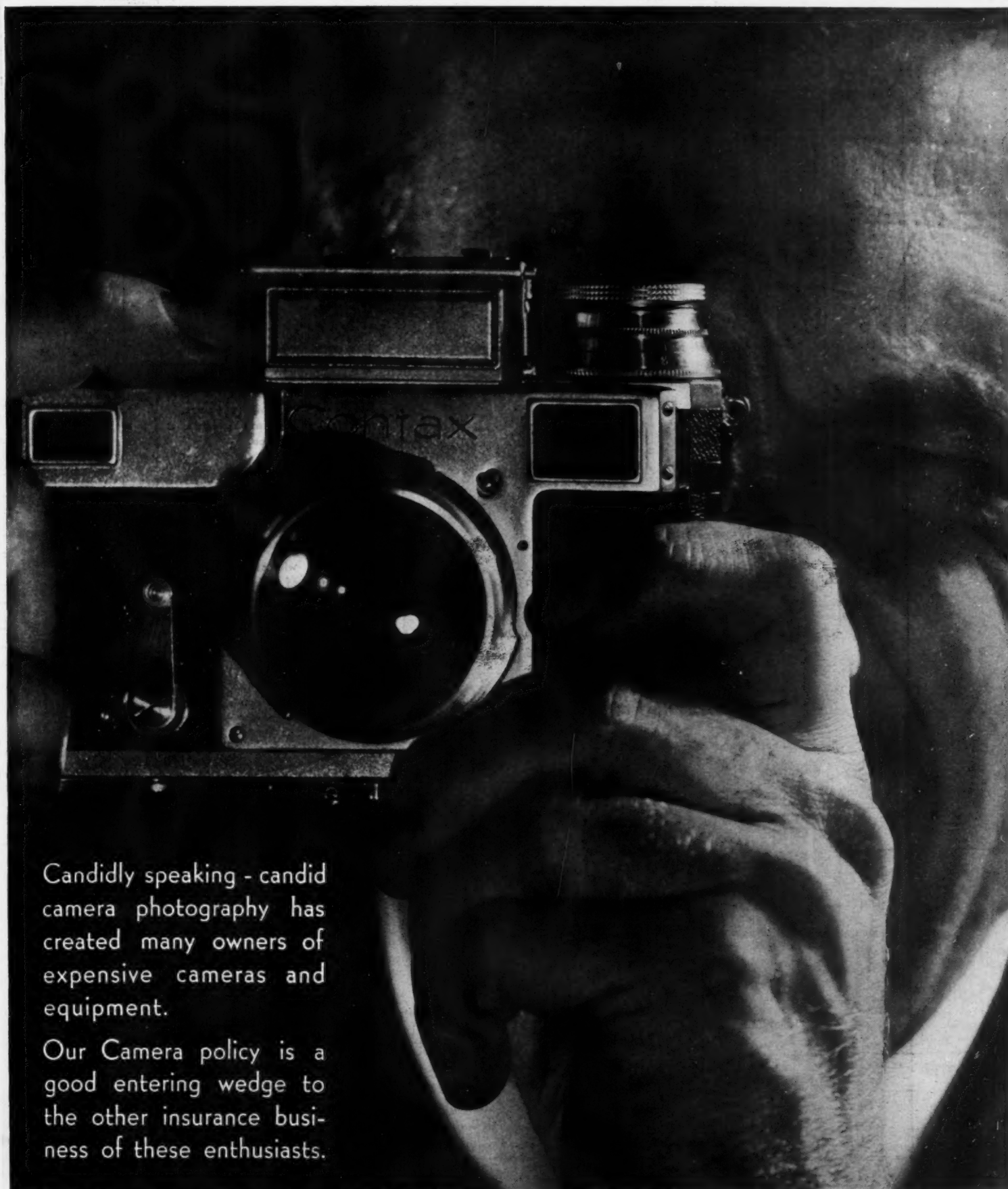


This is No. 2 of the series, "Round the World with the Royal-Liverpool Groups." No. 3 finds the Groups in New Guinea.

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Fire, controlled, is man's diligent servant, gently warming the home and turning the mighty wheels of industry. Fire, unchained, is a demon of destruction.

Today and every day the demon fire will drive shivering families out into the cold, will gloat over misery and despair and will dance around the flaming pyre of cherished hopes, ambitions and treasures.

Ravaging fire will stalk the land, demanding and collecting a toll of thousands of human lives and untold millions of property values.

Insurance can replace property loss, but only tireless and intelligent application of every known safeguard will chain the demon to the task of serving mankind.

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4. PERSONAL ACCIDENT
5. SICKNESS
6. DAMAGE CLAIMS
7. BURGLARY
8. ROBBERY
9. LIGHTNING
10. MARINE DISASTER
11. RAILROAD WRECK
12. FALLING AIRCRAFT
13. EXPLOSION
14. RIOT OR CIVIL COMMOTION
15. EARTHQUAKE
16. FORGERY
17. DISHONESTY

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Firemen's Insurance Company of Newark, New Jersey—organizer 1853

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The NATIONAL UNDERWRITER

Forty-first Year—No. 41

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 14, 1937

\$4.00 Per Year, 20 Cents a Copy

Takes Bennett to Task for Stand on Agency Pact

**E. S. Brashears, Addressing
Maryland Agents Criticises
National Secretary**

HAGERSTOWN, MD.—E. S. Brashears, prominent local agent, attorney, representative and consultant for various trucking groups in Washington, D. C., condemned the stand that Walter H. Bennett has taken in regard to the new agency agreement, modeled on that used by the America Fore companies,



E. S. BRASHEARS

which the companies generally have been undertaking to get their agents to execute. Mr. Brashears criticised the secretary of the National Association of Insurance Agents in an address before the annual meeting of the Maryland Association of Insurance Agents here.

Not only should the agents, he said, request from their companies a form of contract like that used by the America Fore group but they should seek to secure a like result in respect of their solicitors. No ruling has ever been promulgated by the federal authorities, according to Mr. Brashears, that a solicitor is other than an employee of the agency with which he is connected.

Charges Statement Misleading

Mr. Brashears charged that the "American Agency Bulletin" under date of Jan. 1, 1937, published the misleading statement that agents were not employees and the following week advised agents that the internal revenue department classified the types of agents and solicitors and inferred they were classified as independent contractors in all but excepted cases. The result was, ac-

(CONTINUED ON LAST PAGE)

New Mexico Agents Elect Howell Earnest President

**Court Action to Establish Qualification Act Sought — Criticise
Casualty Carriers**

NEW OFFICERS ELECTED

President—Howell Earnest, Santa Fe.
Vice-president—Perry Sears, Capitlan.

Secretary-treasurer—Mrs. Nan Kauffman, Silver City.
National Councillor—Postelle Cooper, Deming.

CARLSBAD, N. M.—Howell Earnest of Santa Fe was elected president of the New Mexico Association of Insurance Agents at the annual meeting here. The alleged failure of stock casualty companies to cooperate with local agents by not providing means of writing workmen's compensation and truck liability created much discussion.

A resolution was adopted to require release of the agents qualification bill by the governor to establish whether it actually became a law, on the ground that the procedure of the governor was not a true veto. It was decided to carry the matter to the supreme court of the state if necessary.

Charge Favorites Get State Cover

Disapproval was expressed of the placing of the great bulk of state business in the hands of a few favored agents, instead of it being generally distributed. Cooperation with company officials was pledged, with the demand that the companies return the cooperation.

The date and place of the next convention were left to the executive committee. No change was made in regional chairmen, the latter being left up to the new president.

Seventy-five agents and company men attended the gathering, demonstrating the healthy growth of the New Mexico association under President Postelle Cooper.

George Side, Fidelity & Guaranty Fire, and Henry Schwartz of the Phoenix of Hartford spoke. Commissioner Biel urged revision of the state code to protect legitimate companies and the public. George W. Scott, assistant secretary National Association of Insurance Agents, stressed cooperation in state and national association membership.

Address of Braerton

W. L. Braerton, prominent general agent of Denver, gave an address, "The Local Agent's Function in the Insurance Business." Mr. Braerton is a sincere man and spoke with the weight of years of experience in advising agents concerning the fundamentals of their operations. The agent who calls himself qualified, he said, must at all times be well qualified so that property owners can easily distinguish the difference between the type of service he renders and that given by an unqualified competitor.

The agent should appreciate, according to Mr. Braerton, the great author-

(CONTINUED ON PAGE 42)

Maryland Agents Hold Enthusiastic Annual Meet

**Reorganized Association Displays
Vitality—Avery Hall,
Salisbury, Is New President**

HAGERSTOWN, MD.—The annual convention of the Maryland Association of Insurance Agents was enthusiastic. The meeting was attended by large delegations from all parts of the state.

Avery Hall of Salisbury was elected president; J. Edward Cochran, Hagerstown, chairman executive committee, and these vice presidents were named: J. Glenn Beall, Frostburg; H. P. Bittle, Baltimore; H. M. Walters, Pocomoke City; J. D. Lazenby, Annapolis.

The meeting, in effect, carried out the National association theme of "knowledge is power," by having a most enlightening program of speech making. The usual discussion with company and bureau representatives was continued, this making for better understanding of the problems of agent and company.

Following addresses by Deputy Commissioner Joyce of Maryland, Vice-president W. C. Jansen of Hartford Accident, and Louis Owrey, manager Fire Companies Adjustment Bureau, it was amply demonstrated that both the insurance department and the companies are more than ever offering their cooperation for the improving and bettering of the position of the local agents.

E. C. Murray of Annapolis, the retiring president, returning from the convention at Dallas, was fired with new enthusiasm for the future of the Maryland association which was reorganized under his direction about a year ago and obtained its goal of 100 new members in its first year.

The banquet was a success, attended by about 150.

The golf tournament honors were carried off by E. Stewart Windsor of Baltimore.

Defines Worthwhile Association

Inasmuch as the Maryland association is one of the newest of the state organizations, C. Stanley Stults, Hightstown, N. J., National association executive committeeman, took as his topic "What Constitutes a Worth While State Association." He said in the first place it

(CONTINUED ON PAGE 42)

Ninety Year Man on the Go as of Yore

J. Henry Denghausen, Cincinnati, had a day of rest last week. It was his 90th birthday.

A solicitor for Walter P. Dolle & Co., for 45 years, he goes to work two or three days each week. Most of his work he does at home, however, keeping his records.

Active and strong for his years, he thought of retiring last year, but then changed his mind. He decided, his son, L. G. Denghausen, said, that he was still young enough to keep it up for a while.

Denouement Comes in Prolonged St. Louis Battle

**Crane to Be Readmitted to
Board—Several Companies
Make Move**

ST. LOUIS—The bitter, prolonged and amazing St. Louis controversy centering about the activities in this city of Marsh & McLennan apparently is now nearing a close.

The denouement consists of the decision of the important Charles L. Crane agency to apply for readmission to the Fire Underwriters Association, giving up the representation of companies that are represented in the Case, Thomas & Marsh agency, and the reported decision of at least two companies and probably three that have been represented by Case, Thomas & Marsh to resign that connection and go back into the offices of board agents.

Four companies, it is understood, elect to remain in the Case, Thomas & Marsh agency, probably sacrificing their board representation, and Case, Thomas & Marsh state that they have made arrangements to take on the representation of four more companies.

Conference Last Friday

This conclusion became generally known following the conferences in St. Louis last Friday of managers of the various companies involved and of Ward Seabury of Chicago, president of Marsh & McLennan; Ed Marsh, president of Marsh & McLennan-Case, Thomas & Marsh, and A. L. McCormack, president of the Crane agency.

Although the controversy originally developed in connection with the efforts of Marsh & McLennan to gain board membership, the difficulties assumed a much broader base when Mr. McCormack sided with Marsh & McLennan in the controversy and refused to give up the representation of his companies that were also represented in the Case, Thomas & Marsh agency. That caused embarrassment to a number of other companies that were not represented by Case, Thomas & Marsh but did have places in the Crane agency. Then the matter was further complicated when other agencies refused to comply with the edicts of the board.

Forces Were Consolidated

The leaders in the board who stood for literal enforcement of the in-and-out rule, continued their efforts and gradually consolidated forces and when Mr. McCormack reconsidered, the issue was again isolated to the Marsh & McLennan and Case, Thomas & Marsh situation.

Prior to the split with the association in June the Crane agency represented North River, Reliance, American Equitable, Phoenix of Hartford, Pennsylv-

(CONTINUED ON LAST PAGE)

L. G. Purmort, Bishop New Heads of Mutual Units

Annual Meetings of Two Organizations Are Held in Grand Rapids, Mich.

L. G. Purmort was elected president of the Federation of Mutual Fire Insurance Companies at the annual convention in Grand Rapids, Mich. He is secretary of Central Manufacturers Mutual of Van Wert, O. L. D. Baker,



L. G. PURMORT

Michigan Millers Mutual, was named vice-president, and A. V. Gruhn, American Mutual Alliance, Chicago, secretary.

The National Association of Mutual Insurance Companies had its annual meeting at the same time, electing as president, Frank Bishop, who is secretary Pawtucket Mutual Fire, Pawtucket, R. I.; vice-president A. E. Anderson, secretary Mutual Creamery Factory Fire, Cottonwood, Minn.; secretary, Harry P. Cooper, secretary Farmers Mutual Liability and Indiana Farmers Mutual, Indianapolis; treasurer Frank B. Fowler, president Fidelity Mutual Fire and Indiana Lumbermen's Mutual; national councillor U. S. Chamber of Commerce, W. E. Straub, president Farmers Mutual, Lincoln, Neb.

Sharp Heads Advertisers

The Mutual Insurance Advertising-Sales Conference elected as president, L. K. Sharp, Des Moines; vice-president, Paul W. Purmort, Van Wert; and secretary, W. C. Sampson, Wausau, Wis.

Various speakers at these meetings urged that the public be made acquainted with its interest in problems of insurance.

Companies writing hail on crops were assured by W. H. Rowe, United States bureau of agricultural economics, that the federal crop insurance plan before Congress will not materially interfere with their business.

Highway Accident Problem

Safety engineering, law enforcement, and public education were named as the three important aspects of reducing the number of highway accidents by Judge Lee E. Skeel, Cleveland. The greatest obstacle to effective law enforcement he named the fixing of tickets for violations. He stressed the importance of some control over the pedestrian as well as the motorist.

The claim that the professional arson rings have been put out of business was denied by R. C. Steinmetz, chief investigator Mutual Fire Prevention Bureau, Chicago, who asserted they are as active as ever.

"To my mind there is today as great
(CONTINUED ON PAGE 8)

Much Activity Marks Fire Prevention Week Plans

Company Officials Give Many Addresses in Various Cities and Over Radio

Seven days of strenuous activity by national, state and local prevention bureaus brought Fire Prevention Week to a dramatic close. Celebrations in major cities included radio addresses by insurance and fire prevention executives, demonstrations by local fire departments, talks and lectures by safety bureaus.

Paul B. Sommers, president of the American of Newark, who is president of the National Board, spoke over radio station WABC. He stated that this particular week is part of an educational program intended to arouse interest in the economic and social problems thrust on the public by loss of life and property by fires. One-third of the fire waste is in rural and farming communities where there is little organized effort to establish adequate farm fire control. Practically one-half of the values invested in the construction of buildings during any given year is destroyed by fire.

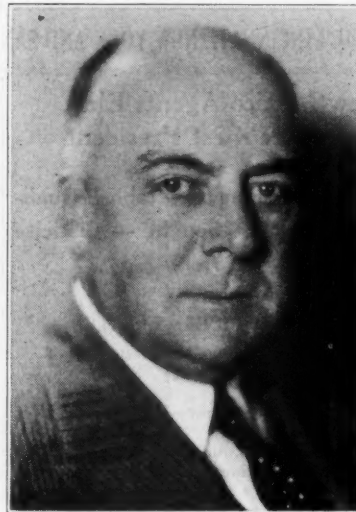
A. W. Nelson, assistant to the general manager National Board, spoke over a New York broadcasting system in the Postal Telegraph series. Major Howland of the engineering department also went on the air. He discussed the work of the Underwriters Laboratories. T. A. Fleming, director of conservation of the National Board, also addressed a number of audiences.

The Oklahoma City chamber of commerce presented J. Burr Taylor of Chicago, Western Actuarial Bureau. R. P. Strong of Robert Gottschalk, Inc., New Orleans, for 20 years head of the Louisiana Rating & Fire Prevention Bureau, gave an educational radio address.

Activities in San Francisco included a civic luncheon in which Fire Chief Brennan was honored.

Resigns as President of Northwest Association

John F. Stafford of Babson Park, Fla., announces that he has resigned as president of the Fire Underwriters Association of the Northwest. He has served in this position since 1929 and for several years undertook to find some active, useful purpose for the association, but



JOHN F. STAFFORD

without success. Subsequently he retired as western manager of the Sun. He decided to resign as president of the Northwest Association at this time, so that a man who is active in the business might be elected and be able to take advantage of any opportunity that might present itself in the future to make an active instrumentality of the association again. Mr. Stafford, being away from intimate touch with the business, feels that he would be less likely to recognize such an opportunity.

Carl E. Ingram, superintendent of

agencies in the western department of Great American, is secretary of the Northwest Association and he has decided to call a meeting as an incident of the annual dinner of the Life Members Society of the Northwest Association next Tuesday evening at the La Salle Hotel, Chicago. At that time a new president of the Fire Underwriters Association will be elected and probably as well a new vice-president to fill the vacancy caused by the death of Walter B. Erfert of Crum & Forster in 1931. Two vacancies also exist in the directorate due to the death of Ralph Rawlings, who was president of the Monarch Fire, and O. E. Green, who was Indiana state agent of Providence-Washington.

W. J. Tippery, assistant western manager Aetna Fire, will probably preside at the meeting of the Northwest Association, he being a director.

About 150 are expected to attend the dinner.

Bennett to Illinois Meeting

Walter H. Bennett, secretary National Association of Insurance Agents, is to represent the National organization at the annual meeting of the Illinois Association of Insurance Agents in Rockford, Nov. 17-18.

Robe Bird, western manager of the American, is to be host at a luncheon for all conventioners Nov. 18. W. H. Jennings, Jr., and J. J. Beattie, chairman local board committee, are combining forces in the entertainment of the directors the evening of Nov. 16. The directors will have their meeting at Mr. Jennings' home in Rockford as guests of Mr. Jennings and Mr. Beattie.

Will Pay Auto Flood Damage

NEW ORLEANS.—Owners of cars purchased under the time payment plan of the General Motors Acceptance Corporation and insured by the General Exchange which were damaged by the torrential rains here Oct. 2, have been notified that they will be indemnified for their losses.

Part-Time Drive Outlined by New Jersey President



CHARLES E. MECK, JR.

Charles E. Meek, Jr., of Paterson, new president of the New Jersey Association of Underwriters, outlined the results obtained in Bergen county, N. J., along the line of eliminating part-time agents, at the meeting of the National Association of Insurance Agents in Dallas. He is head of the A. P. Haldane & Co. agency at Paterson, past president of the Paterson Board and the Passaic County Board and has been chairman of the executive committee of the state association.

THE WEEK IN INSURANCE

Solution finally comes in the bitter St. Louis in-and-out rule controversy. Page 3

E. S. Brashears, speaker at meeting of Maryland agents, attacks Walter H. Bennett for his stand in agency agreement controversy. Page 3

Howell Earnest elected president of New Mexico Association of Insurance Agents at annual meeting at Carlsbad. Page 3

Avery Hall is elected new president of Maryland Association of Insurance Agents at annual meeting. Page 3

Missouri rate litigation controversy flares again with Governor Stark directing Superintendent O'Malley to fight to the finish the cases that are pending before the state court. Page 5

L. G. Purmort is elected president of the Federation of Mutual Fire Insurance Companies and Frank Bishop, president National Association of Mutual Insurance Companies at annual meetings in Grand Rapids, Mich. Page 4

Life insurance lawyers, at meeting in Chicago, discuss possibilities of federal control of insurance. Page 5

John F. Stafford resigns as president of the Fire Underwriters Association of the Northwest. Page 4

Commissioner DeCelles of Massachusetts is subjected to scathing criticism in majority report of joint legislative committee that investigated the affairs of the defunct Commonwealth Mutual Liability. Page 19

Companies and agents come under critical analysis of C. A. Abrahamson in White Sulphur talk. Page 19

Reorganization of Auto Mutual Indemnity of New York is effected. Page 30

Automobile liability competition considered by agents at White Sulphur. Page 17

Compulsory automobile rates for Massachusetts show little change from recent promulgation by Commissioner DeCelles. Page 18

Chicago agents study the Central Bureau's successful operations in New York City. Page 20

A. M. Schmidt, president Risk Research Institute, tells the purposes and objectives of that organization in address before big casualty convention at White Sulphur Springs, W. Va. Page 17

National Accident & Health Insurance Week in 1938 set for week of April 18. Harold R. Gordon reelected chairman. Page 18

Commissioner Blackall of Connecticut charges that many casualty companies are over extending themselves in respect of premium volume in relation to their capital and surplus structure. In addressing casualty convention at White Sulphur Springs. Page 18

Settlement of claims against former officers and directors of old National Surety by payment of \$1,350,000 is approved by court. Page 26

Michigan's new occupational disease rates are accepted by Commissioner Gauss. Page 20

Dust hazard and highway safety are two big topics at meeting of National Safety Congress. Page 19

George W. Carter of Detroit spoke on boiler and machinery insurance at the meeting of the National Association of Insurance Agents. Page 35

Life Insurance Lawyers Ponder Federal Control

Discern Pretexts Upon Which U. S. Might Assume Jurisdiction

At the meeting of the American Life Convention in Chicago this week there was an interesting round table discussion in the legal section on the possibility of federal regulation of insurance made by General Counsel J. H. Cabaniss of the Protective Life of Birmingham. The subject was announced as "Life Insurance and the Instrumentalities of Interstate Commerce."

Mr. Cabaniss explored the field of possible federal regulation of insurance without an amendment to the constitution. He said the U. S. Supreme Court has dealt with the subject under the commerce clause a few times and in 1869 in the famous case of Paul vs. Virginia the high court held that insurance was not commerce. Some cases akin to insurance have come up dealing with lotteries and use of mail for various purposes, all considered harmful. One of the celebrated cases often quoted was instituted by the New York Life in Montana, entitled New York vs. Deer Lodge County, in which the United States Supreme Court affirmed its prior position. Even the decision in connection with the Wagner labor act and the Associated Press issue are in line with the previous decisions.

Police Power for U. S.

A number of bills have been introduced in Congress, especially during recent sessions, that indicate a tendency to legislate along lines that will impose on the federal government various police powers. Congressman Cannon of Wisconsin introduced a bill to investigate the so-called abuses of insurance. Very important are the two bills introduced by Congressman Hobbs of Alabama. One prohibits the use of the mails to insurance companies not licensed nor complying with the laws of states in which they are soliciting business. The other provides that a company could not operate in a state where it is not licensed

(CONTINUED ON PAGE 40)

Missouri Governor Fights Rate Compromise

Stark Orders O'Malley to Battle State Court Case to Finish on Its Merits

JEFFERSON CITY, MO.—The unexpected action of Governor Stark in ordering Superintendent O'Malley not to present to the Missouri supreme court on Friday the compromise agreement of the fire insurance rate litigation reached in May, 1935, with representatives of the interested fire companies, but to endeavor to win the case on its merits for the policyholders has brought the rate litigation issue again to the fore.

The litigation involves the state court portion of the suits that resulted when the companies in 1930 increased their rates 16½ percent without the consent of the superintendent. The federal court cases, involving 173 companies and most of the premiums have already been settled on the basis of the May, 1935, peace pact. Under that agreement 20 percent of the impounded premiums go to policyholders, 50 percent to the companies and their agents, and 30 percent for attorney fees and court costs. The state case affects 73 companies and about \$1,750,000 of impounded premiums held by the Cole county circuit court.

Companies Appealed

The companies appealed from a ruling by Circuit Judge Sevier who rejected the compromise and directed that all of the premiums be refunded to policyholders.

Mr. O'Malley is directed to take such steps as may be necessary to withdraw the compromise agreement he caused to be filed in this case in the supreme court.

Mr. O'Malley replied to the governor that he had given the instruction to counsel for the department.

In a separate communication to counsel for the department Stark told them to "disregard Mr. O'Malley's recent oral instructions to present to the supreme court the compromise settlement in the fire insurance rate case."

There is uncertainty as to the final effects of the governor's action especially on the new tariffs put into effect in November, 1935, which are 5 percent below the level that prevailed prior to October, 1922, when the Hyde reduction order cutting rates 10 percent was issued.

The insurance committee of the house which conducted an investigation last November found nothing improper about the settlement. It found the settlement fair and beneficial to the public.

Rossia Official Hurt in Auto Crash



CLARENCE A. RICH

Clarence A. Rich, of New York, vice-president of the Rossia, and Mrs. Rich were seriously injured in an automobile accident at Latrobe, Pa., while enroute to Pittsburgh from New York to visit their daughter, Mrs. W. W. Knight. In a driving rain they were hit head on by another car, the driver of which was seriously injured and a woman occupant killed. Mr. and Mrs. Rich are at the Latrobe Hospital Association. Mrs. Rich received a broken arm, ankle and a compound jaw fracture while Mr. Rich received numerous cuts and bruises, a dislocated lower jaw and compound fracture and lost several teeth. They will be at the hospital for several days and will then go to their daughter's home, 680 Hamilton road, Thornburg, Pittsburgh.

Mr. Rich reports the owner of the other car did not carry insurance.

In a statement Mr. O'Malley said the compromise agreement was drawn up during the administration of Governor Park and that he felt "honor bound" to do all in his power to carry out the contract.

"I felt as Governor Stark did recently when called upon to sign the recent bond issue which had been purchased by a

(CONTINUED ON LAST PAGE)

Closing Scenes of Convention of Local Agents

Some of the High Lights of the Successful Dallas Meeting

By C. M. CARTWRIGHT

When Frank S. Preston of Minneapolis, national councillor Minnesota Association of Insurance Agents, escorted Mrs. Charles F. Liscomb of Duluth to the rostrum at the last session of the National Association of Insurance Agents convention in Dallas and the entire Minnesota delegation followed and took seats in the front row in order to pay their homage to the newly elected president, Mr. Liscomb, it was a moving scene as the entire audience arose. Mrs. Liscomb took a seat beside her distinguished husband, who was shortly to receive the gavel from W. Owen Wilson of Richmond, Va., the retiring president, who had closed a most successful administration. President Wilson had delegated E. C. Huhnke of Duluth, president of the Minnesota association, one of Mr. Liscomb's competitors and one of his ardent admirers, to escort the newly elected official to the front.

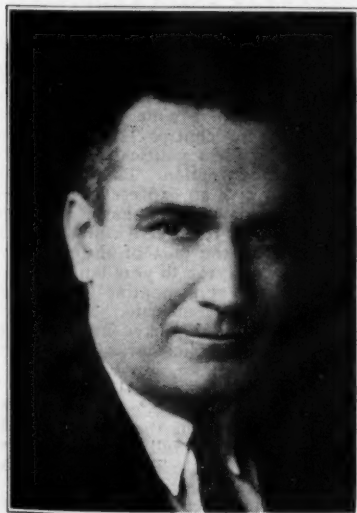
Menn Escorted to the Front

W. H. Menn of Los Angeles, who had been nominated for chairman of the executive committee, was brought to the rostrum by G. C. Appleton of Fresno, president California Association of Insurance Agents, and Eugene Battles of Los Angeles, long time friend of the Menn family, escorted Mrs. Menn to the platform. This closing ceremony is always a colorful and emotional one. Mrs. Wilson was escorted to the rostrum by D. C. Hancock, Richmond, Va., and Allan I. Wolff of Chicago, past president, made the presentation address to Mr. and Mrs. Wilson.

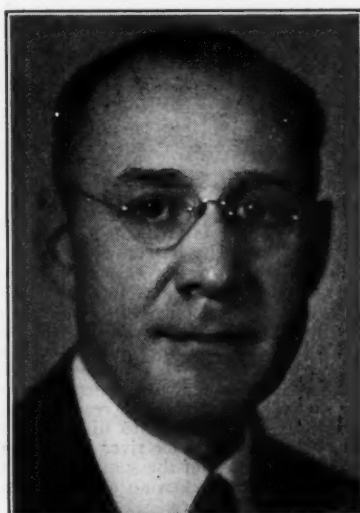
Mr. Wilson had referred to Mr. Menn as the "most beloved and respected agent on the Pacific Coast." There was no doubt as to who would become president for Mr. Liscomb had served as chairman last year and by an unwritten

(CONTINUED ON PAGE 41)

SPEAKERS AT TENNESSEE AGENTS CONVENTION



JAMES M. McCORMACK, Nashville Tennessee Commissioner



S. G. OTSOT, Raleigh, N. C. Manager State Association



C. J. FITZPATRICK, Baltimore Secretary U. S. Fidelity & Guaranty



JAMES E. POWELL, Chattanooga Vice-president Provident L. & A.

EVERYONE HAS GOOD TIME AT DALLAS GATHERING



Harry H. Fuller, deputy U. S. manager of the Zurich, was active with his candid camera at the National association meeting in Dallas. The following are some of his work:

(1) Frank C. Colridge, Oakland, Cal.; G. C. Appleton, Fresno, Cal.; Wm. H. Menn, Los Angeles. (2) Young E. Allison, Pearl Assurance, Chicago; C. W. Fairchild, New York City, Association of Casualty & Surety Executives; P. H. Ware, Minneapolis.

(3) A. G. Stiff, assistant secretary, Fidelity & Deposit. (4) John G. Yost, vice-president, Fidelity & Deposit. (5) W. C. Collins, Hattiesburg, Miss.; Warner Wells, Greenwood, Miss.; L. A. Grider, Spartanburg, S. C.; Sidney O. Smith, Gainesville, Ga.

(6) Frank D. Moses, Harrisburg, Pa., executive secretary Pennsylvania association; D. J. O'Keefe, Dallas, supervisor of agencies, Southern Old Line Life; Ralph H. Alexander, Pittsburgh.

(7) Bert E. Mitchner, Hutchinson, Kan.; Jennie Sue Daniel, New York City, editor "American Agency Bulletin"; Alex Case, Marion, Kan. (8) Minnesota delegates: Frank S. Preston, Minneapolis; A. W. Harris, St. Paul; A. B. Caswell, Minneapolis; Robert A. Burns, St. Paul; Harry Levant, Eveleth, Minn. (9) Some Virginia delegates: back row: John S. McRae, South Boston; Don C. Hancock, Richmond; R. E. Hawks, Portsmouth; Louis E. English, Richmond. Front row: Stuart Ragland, Richmond; J. Davis Ewell, Richmond; Roger E. Clarke, Fredericksburg; Jessie A. White, Norfolk.

New Illinois Handbook Gives Complete Information and Data on Companies, Agents

The new Underwriters Hand-Book of Illinois has been issued by THE NATIONAL UNDERWRITER. It is the 25th edition of this valuable reference book which contains 712 pages crammed full of interesting and helpful information on Illinois insurance-wise.

There is a slight increase in agents' licenses this year, the 1936 total of 32,052 licenses received for fire and casualty companies being increased to 33,641 in 1937, a gain of 1,589. Stock fire licenses showed a gain of 839, stock casualty 642, mutual fire 139, and mutual casualty dropped 31.

The new book brings up-to-date the data on Illinois agents and agencies, listing all agents and agencies by towns, giving the companies represented, date established, members of the firm and other business, if any, transacted. Information is given about the companies licensed to operate in the state, including the name, officers, financial statements, lists of field representatives, ad-

dress and date established. Data is given about many companies for which little information is available from other sources as they are small and operate only locally.

The "Record of Insurance in Illinois" section shows the premiums and losses of the fire companies for five years with a classification of their business during 1936, the premiums and losses, classified as to lines, for the casualty companies for two years and life insurance written and insurance in force for six years. This data is not yet available from the state insurance report, and had to be copied from the companies' reports to the department.

Much other valuable data is included in the Illinois Hand-Book. Lists are given of fire field men, casualty special agents and managers and life general agents and managers, arranged alphabetically as a cross index to the data shown under the various companies; lists are shown of the various insurance organizations, their location and officers; lists of adjusters, attorneys and hotels are included and fire protection for the towns in the state is shown, as well as the county in which the town is located and its population. Another section

gives a brief resume of the important features of the laws of the state as affecting insurance companies and agents and there is a table which shows the various lines of insurance written by each company. All in all the hand-book is a very handy guide to Illinois insurance and is valuable to agents, field men, general agents and companies alike.

Goss Working Part-Time

Ira D. Goss, farm manager of the America Fore, who has been recovering from a heart attack for several months, has now taken up his residence within a few blocks of his office in Chicago and is spending a short time each day at his desk. He is taken back and forth in a wheel chair and he also transacts business from his apartment. When he was able to be moved from his residence in Evanston, Ill., he went to his summer place on the Tippecanoe river in Indiana but with the close of the summer season returned and has taken an apartment in the Delaware Towers.

Welsh & Therise, 23 North Third street, Vincennes, Ind., has been incorporated by M. W. Welsh, M. E. Welsh and T. E. Therise.

Issue as to Term Premium Under Illinois Rate Control

An interpretation has been asked of the Illinois insurance department of its recent ruling that under the new fire insurance rate control law the entire premium for term policies must be collected at the inception. The department is asked to give an expression of its attitude towards policies that were written in the last few years containing an agreement on the part of the company to renew from year to year with the annual premium representing a reduced multiple of the term rate. Some companies, for instance, have been writing five-year term policies for four times the annual premium, but with the premium payable in annual instalments. One plan provides for payment of the full annual premium the first year and 75 percent of the full annual for the next four years. The question is whether these renewal agreements previously executed are valid in view of the department's ruling.

Earl F. Park has purchased the W. D. Funk agency, Belle Plaine, Ia.

■ A SALUTE TO THE STATE OF **TENNESSEE**



Tennessee has 42,022 square miles.....1.39% of the U. S.

Tennessee has 2,616,556 population2.13% of the U. S.

Tennessee has an estimated per capita wealth of \$1,909....1.39% of the U. S.

A state could not help but be beautiful if three-fourths of its land area remains forested and the mountains include the Great Smokies and Lookout. During recent years tourists have taken advantage of 6,633 miles of surfaced roads to explore every corner of this delightful state, gaining some impression of the scenery, but appreciating, too, its importance in agriculture and industry.

Tennessee reports each year a total value of manufactured products exceeding \$350,000,000 and mineral production approximating \$24,000,000.

In the valuation of farms, land and buildings, however, Tennessee has the impressive total of 245,657 farms valued at \$743,222,363 and a combined valuation of livestock and crops reaching a total in some years of \$200,000,000.

Tennessee is among the leading Southern States in the field of education, having the University of Tennessee, Vanderbilt University, the University of Chattanooga, the University of the South, also known as "Sewanee," together with other institutions of learning.

*Tennessee insures, with the old established stock companies,
\$804,900,018 of its property values against fire and pays
\$7,398,667—1.65% of the premiums of the United States.*

American Equitable Assurance Com- pany of New York

Organized 1913

Capital \$1,000,000.00

Globe & Republic Insurance Company of America

Philadelphia, Pa.

Capital \$1,000,000.00

Established 1862

Knickerbocker Insurance Company of New York

Organized 1913

Capital \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company

Trenton, N. J.

Capital \$1,000,000.00

Chartered 1849

New York Fire Insurance Company

Incorporated 1832

Capital \$1,000,000.00

Sussex Fire Insurance Company

Newark, N. J.

Capital \$1,000,000.00

Incorporated 1928

Corroon & Reynolds

92 William Street

Incorporated
MANAGER

New York

One of a series designed to acquaint insurance men and insurance buyers with a few facts about our country.

Slated to Head Chicago Agents Association



WILLIAM E. ROLLO

William E. Rollo, who is nominated for chairman of the Chicago Insurance Agents Association, is head of the class 1 agency of Rollo, Webster & Co. The election takes place Oct. 12 and there will be a formal installation Oct. 26.

New Service of A. D. T.

NEW YORK.—The American District Telegraph Co. (A. D. T. System) announces that its electrical protection services have been expanded to include automatic supervision for heating systems.

This recently developed supervisory service is adaptable to any type of heating system, whether coal, gas or oil fired. Electrical devices automatically detect abnormal or subnormal conditions and report them to the A. D. T. central station for immediate corrective action. Among the commonly occurring conditions so supervised are: Subnormal water or oil levels in coal

or oil burning systems, abnormal steam pressure, abnormal and subnormal temperatures of air or water in hot air or hot water systems, subnormal vacuum in vapor heating systems, extinguishment of oil-burning flame, or its failure to ignite the oil, impaired operation of mechanical stokers.

The company reports that its heating system supervision service, which has already been adopted in many plants and buildings throughout the country, results in more efficient operation of the heating system, and in greater economy of operation. Complete information will be furnished upon application to the A. D. T. executive offices, 155 Sixth avenue.

Indiana Blue Goose Activities

INDIANAPOLIS.—It was announced at the Indiana Blue Goose dinner Monday evening, following the fall golf tournament, that every Monday at noon a table will be reserved at the Board of Trade lunch room for field men and their guests. W. J. E. Webber, Western Adjustment, supervisor presented a handsome golf trophy for the fall tournament as low gross prize. First to win the cup is L. B. Moore of Slaymaker, Merrell & Locke, insurance attorneys. Other golf prize winners were W. L. Mickelson, L. & L. & G.; George S. Peet, Western Adjustment; W. J. E. Webber; D. S. Davis, Royal, and L. R. Swanson, L. & L. & G.

Corroon & Reynolds Dinner

Corroon & Reynolds, New York general agency, entertained its general and local agents and special friends at the convention of the National Association of Insurance Agents in Dallas, with Vice-president E. S. Inglis presiding. The chief talk was made by Vice-president J. R. Barry. Others present from the home office were R. R. Wilde, J. A. Corroon, H. J. Thomsen, and D. E. Chilcote, who was presented with a wrist watch.

L. G. Purmort, Bishop New Heads of Mutual Units

(CONTINUED FROM PAGE 4)

a need for the study of arson and pyromania as for study of the traffic problem," he stated.

The opportunities for youth in the insurance business today were emphasized in an address by B. Rees Jones, president Town Mutual Dwelling, Des Moines.

Phil Hanna Pessimistic

Phil S. Hanna, editor Chicago "Journal of Commerce," declared it is time the federal government stopped spending, and whether they decide the national credit is to be protected or a chance is to be taken on moving nearer to inflation.

H. H. Allen, Chicago economist, said he fails to detect evidence of pending recession in business and fails to find anything more serious than the recent weakness in agricultural prices. The total decline in this area does not appear seriously to threaten a record-breaking purchasing power for farmers in the 1937 crop season, he asserted.

A. B. Kelly, American Mutual Alliance, commented upon the serious subject of the campaigns now being fostered by some bar groups as to whether the performance of certain routine business operations by laymen constitutes the practice of law.

Syracuse, N. Y., was tentatively awarded the 1938 convention.

More than 2,000 pieces of mutual advertising material, the largest in history, were submitted in the advertising exhibit, and awards made in about 100 classifications.

McNair Propounds Questions

Insurance Superintendent McNair of Ontario has propounded a number of questions to the companies in his capac-

ity of chairman of the committee on definition of underwriting powers of the Canadian superintendents association.

"Is the principle of the joint committee as a means of giving stability, regulation and establishment of fair business practices sound?" he asks. He inquires whether the composition of the joint committee is satisfactory; whether the company favors enforcement of the definitions and if so in what manner. He asks whether the company has observed the definitions and rulings and if not, why not.

Gives Building Owner's Views

CINCINNATI.—J. W. Pottenger, president Cincinnati Building Owners & Managers Association and vice-president National Building Owners & Managers Association, will discuss the insurance problems of building owners and managers at the first fall meeting of the Cincinnati Fire Underwriters Association Thursday of this week.

Muncie Hail Claims Heavy

Settling of hail losses following the severe storm which visited Muncie, Ind., Aug. 11 still drags on, the several adjusting companies still having men in that city, and with the end of claims not yet in sight. It is estimated that over 2,500 loss claims have already been settled, with an average payment close to \$100 per loss. The losses are practically all the result of damage to roofs of all types, including wooden shingle, paper, composition and slate. In the opinion of adjusters who have been on the ground, claims for losses due to this storm will continue to come in.

Magrath Ontario Speaker

J. J. Magrath of Chubb & Son, New York, former chief rater of New York insurance department, will be the banquet speaker at the annual meeting of the Ontario Fire & Casualty Insurance Agents Association in Toronto Thursday night.

Reinsurance

FIRE AND ALLIED LINES

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REINSURANCE

COMPANY

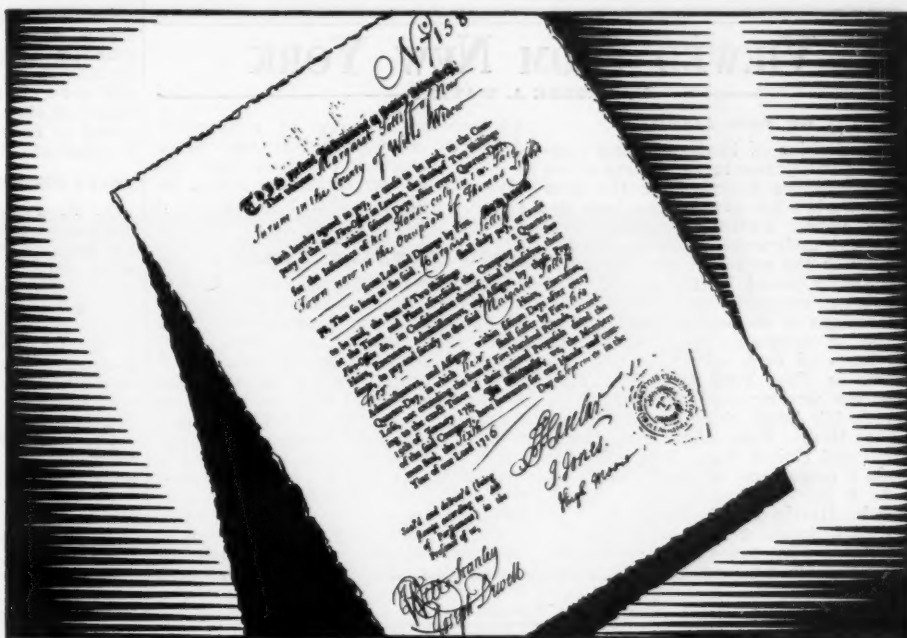
CEDAR RAPIDS, IOWA

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NEW YORK CITY

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LOS ANGELES

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THROUGH THE CENTURIES-WITH THE SUN



Reproduced above is Sun Policy No. 7158 issued to Margaret Jolliff, September 6, 1716. As long as Margaret Jolliff continued to pay "the Sum of Two Shillings within fifteen days after every Quarter-Day," her house was protected against loss and damage by fire by the Sun Fire Office of London, not to exceed "the Sum of Five Hundred Pounds according to the exact Tenor of the printed Proposals."

These early insurance policies of more than two hundred years ago were limited to one fixed amount and covered only loss and damage by fire and they were limited too as to the territory in which they applied.

Today the Sun Insurance Office, Ltd. (the oldest insurance organization in the world) and its affiliated companies issue policies throughout the world in large and varied amounts and write all lines of fire, marine, automobile, tornado, plate glass, fidelity, surety, burglary, forgery, liability, compensation and the allied coverages of insurance. The sun never set on the agencies of the "Sun" as there are agents throughout the United States and offices and branches in almost every country in the world.



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SWETT & CRAWFORD, GENERAL AGENTS

CHARLES W. OHLSSEN, MANAGER, WESTERN DEPARTMENT 309 W. JACKSON BLVD., CHICAGO

VIEWED FROM NEW YORK

By GEORGE A. WATSON

DIVISION OF FAIR LIABILITY

The division of liability among companies participating in the writing of fire and windstorm coverage for the New York world's fair of 1939 has been decided upon. Twelve companies will write the underwriters policies, sharing equally to the extent of 8 1/4 percent in that policy issued by the group. The remaining companies will reinsure the percentages of the underwriters.

The 12 companies were selected on the bases of their volume of fire premiums in New York and New York suburban territory and the amount of world's fair bonds that they purchased.

The Home, Great American, Continental and United States Fire will each retain 7 percent net of the liability. L. & L. & G., Commercial Union, North British, Hartford and North America will each retain 5 percent; Firemen's and Aetna Fire, 3 percent, and American Equitable 2.5 percent. Those are the 12 companies.

National Union, Pearl, Standard of New York and National will each get

2.5 percent by way of reinsurance. American, Automobile, Fire Association, Pacific, Travelers Fire and Sun will each get 1.5 percent. The others interested will get either 1 percent or .5 percent.

LIQUIDATION BUREAU REPORT

The report of the bureau of liquidations, conservations and rehabilitations of the New York department for the year ending July 31, 1937, shows payments to policyholders and other creditors of defunct insurance companies of dividends and other cash payments aggregating \$3,167,558 in all companies except the National Surety.

The liquidation bureau was formed in 1909 as a unit of the insurance department. At first each company taken over was operated separately in its old quarters. In recent years, in the interest of economy, efficiency and expeditious administration, its activities have been centered in the office at 111 John street, New York.

Since Jan. 1, 1931, the bureau has re-

ceived and filed more than 222,000 individual claims from policyholders and creditors countrywide. Only about 1 percent of the total claims received are still open. In the period covered by the report 20,485 creditors' claims were disposed of either by trial, adjustment or by obtaining withdrawal.

TELLS BROKERS ABOUT CODE

R. F. Piper, chairman of the New York code legislative committee, asked for broadminded cooperation in considering the proposed code at the annual dinner of the General Brokers Association of the Metropolitan District of New York. A frank and complete discussion of the code is desired and it is hoped that Superintendent Pink and the committee will present an acceptable bill to the legislature early in February, said Mr. Piper.

The objectives of the insurance department in preparing a code for the protection of the insurance business and the insuring public were pointed out by Mr. Piper, with reasons for constructive criticism rather than condemnation, because any proposals are new.

Mr. Piper cited the suggestion that many multiple lines in one policy issued by one company as an example. "You men should know whether or not this

is a step in the right direction. Instead of condemning it because it is new, suppose you think it over and decide whether or not it is wise."

This week the provisions concerning agents, brokers and adjusters will be considered. Mr. Piper reviewed the provisions affecting brokers. Section 54.3 changes the existing law by which the broker is considered the agent of the assured and makes him the agent of the insurance company for the purpose of receiving payment of premium if he delivers the policy. Section 58 makes the brokers responsible in a fiduciary capacity for all funds received by them. They are also prohibited from mingling such funds with their own. Mr. Piper favors both of these provisions.

The banquet drew an attendance of more than 700, making it the largest in recent years. Superintendent Pink of New York was the other principal speaker. Judge Albert Conway, former insurance commissioner, was toastmaster.

MAYOR WILSON'S FULMINATIONS

The management of the National Board is not the least concerned over the fulminations of Mayor Wilson of Philadelphia, and his reputed threat to demand an investigation of its methods of operation by the Pennsylvania insurance department. If, as stated in the daily press, the mayor has written a lengthy letter to the National Board harshly critical of its activities, the communication has not been received, nor would the management of the organization be in the least perturbed did it come to hand. The ire of Mayor Wilson was aroused through the contention of the National Board's engineers that the fire department of Philadelphia had been materially weakened during the present administration, pointing out specifically wherein such was the case.

INSURANCE INSTITUTE GATHERING

The annual luncheon conference of the Insurance Institute of America is being held in the Hotel Pennsylvania, New York, Oct. 26. W. D. Winter, president Atlantic Mutual, will deliver the presidential address and Secretary E. R. Hardy will review the year's work.

EXCESS OF LOSS COVERS

Just how excess of loss covers are written was made clear to Deputy Superintendent P. L. Taylor of the New York department by a number of insurance men in a gathering at his office, the conference having been called at the suggestion of a representative of a chain of boot and shoe stores. Excess of loss covers are written by individual companies on behalf of assured, and again for the benefit of companies desiring to limit their conflagration or catastrophe losses. In the former connection the indemnity is granted, usually beyond the primary indemnity, though not infrequently it is written over a fixed deductible carried by the assured through the medium of a self-insurance fund. Treaty arrangements as between companies are often graduated to provide for an excess up to a certain figure over the net retention, and again a second and occasionally a third, excess is provided for; the direct writing office assuming a further net liability, before each added excess applies.

MOSES TANENBAUM IS DEAD

Moses Tanenbaum, president of I. Tanenbaum, Son & Co., one of the oldest and best known houses of its kind in New York, died at his home in Irvington, N. Y. He was 79 years of age.

Entering the already well established brokerage office of his father in 1884, Mr. Tanenbaum speedily added to its business, branching out from fire covers

"The Standard Fire Policy"—a book presenting legal authority in "man to man" style. Single copy \$1.50. Write The National Underwriter for book list.

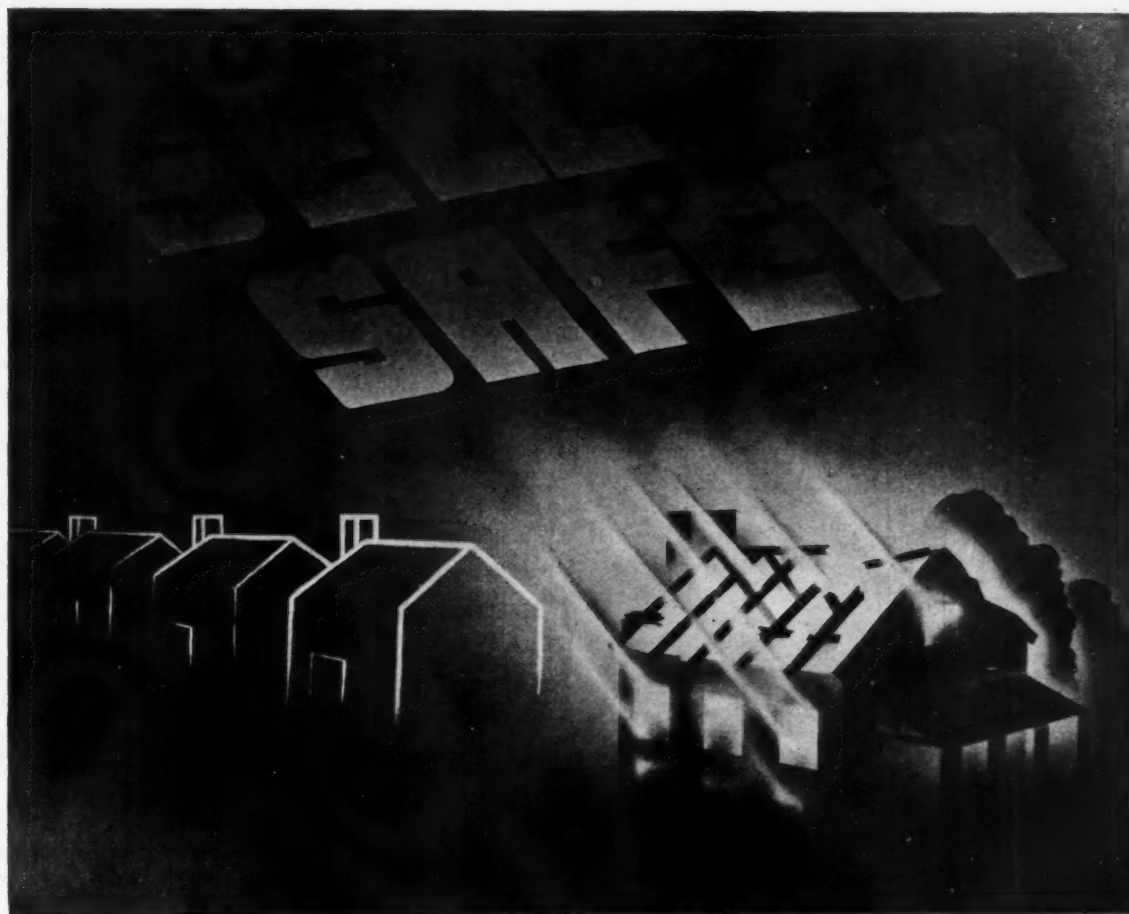
FRIENDLY
to agents and assureds
since 1849



The **SPRINGFIELD GROUP**
OF FIRE INSURANCE COMPANIES

Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO.	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	PITTSFIELD, MASS.



HELP PREVENT LOSSES LIKE THIS

The principal attribute of all accident prevention work and all fire prevention work is identical. It is nothing more nor less than the application of common sense. Insurance men have a real duty to the communities in which they live. Because they know how, where, and why accidents happen



and fires destroy, they should "sell safety," which includes fire prevention and crime prevention. Find out more about it in the current issue of The Employers' Pioneer. Just send your request

for this publication of The Employers' Group to the Publicity Department, 110 Milk Street, Boston.

THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON, MASSACHUSETTS

to general casualty and life. He originated the idea of installing a complete sprinkler system in a mercantile or manufacturing plant without cost to the assured. Under an ironclad 10-year agreement, the assured would guarantee to pay the non-sprinklered fire rate he was then charged, Mr. Tanenbaum recouping the cost of the sprinkler equipment and securing his profit through the reduced rate granted the property under protection. At the expiration of the contract period ownership of the sprinkler system would be turned over to the assured.

Mr. Tanenbaum at one time was a heavy holder of certain fire company stocks and presumably held them at the time of his death.

Report of Examination of Warner's Cannery Exchange

The Cannery Exchange Subscribers at Warner Inter-Insurance Bureau, 540 North Michigan avenue, Chicago, underwent a convention examination by Illinois, Montana and Maryland as of Dec. 31. The assets are \$3,772,775, premium reserve \$714,963; special reserve, \$463,775; net surplus, \$1,269,632. The report says that its cash position is excellent, the average yield on investments being 3.4 percent. The report says that the exchange is efficiently managed. Lansing B. Warner is president and treasurer, C. R. Leland, executive vice-president and secretary, and John Eliot Warner, vice-president and assistant secretary of the attorney-in-fact.

The exchange issues only one policy, a standard fire form, and all other coverages are written by endorsement. The maximum fire risk is \$1,000,000, the excess above \$140,000 being reinsured. The exchange is a coinsurer to the extent of 10 percent of limits above \$140,000 and up to \$500,000. The second excess loss contract provides the exchange with additional reinsurance for any one loss in excess of \$500,000 and up to \$1,000,000. Its premiums last year were \$1,602,504 and total income \$1,761,741, losses \$261,106, total disbursements \$1,479,678.

Revamp Indiana B. D. Setup

The Business Development committee in Indiana has been reorganized and enlarged to include five each of field men and local agents. M. C. Buckingham, Great American, continues as chairman, and J. W. Stickney, local agent, as secretary. The four other field men are G. R. Pritchett, American; R. L. DuBois, North British & Mercantile; A. B. Smilie, Travelers Fire, and R. C. Walker, L. & L. & G. Local agent members are E. E. McLaren, E. F. Trimpe, R. M. Fox and Fisk Landers. The 12 districts of the state have been divided into four regions and assigned to the four field men as follows: Pritchett, 1, 2 and 4; DuBois, 3, 5 and 6; Smilie, 7 and 10; Walker, 8, 9, 11 and 12. All other field men of the Indiana Fire Underwriters Association have been given assignments to one or the other of these regions. It is expected that a similar committee of farm field men and local agents will soon be formed.

Milne U. S. Manager

J. Y. Milne has been appointed U. S. manager of the Baltica, the reinsurance company, succeeding the late Franklin W. Fort. Mr. Milne recently succeeded Mr. Fort as executive vice-president of the Eagle Fire of New Jersey. Fester, Fothergill & Hartung continue as sub-managers of the Baltica.

Fire Association Declares Extra

In addition to the regular semi-annual dividend of \$1 per share, the Fire Association will pay an extra of 50 cents Nov. 22 to stock of record Oct. 22.

Earle H. Shaw, 41, Nevada, Ia., local agent died suddenly of heart disease at Excelsior Springs, Mo., while attending an insurance convention.

NEWS OF FIELD MEN

Will Go on Exclusive Basis

W. H. McClain, Oklahoma City General Agent, to Represent Only the Millers National

W. H. McClain, Oklahoma general agent, Oklahoma City, now represents Millers National of Chicago exclusively, having released all other fire companies from his office. This action culminates a three-year connection, Mr. McClain having started his general agency with



W. H. McCLAIN

the Millers National in September, 1934.

Mr. McClain has put in over 30 years as a field man in Oklahoma, first with the Niagara, then with the Boston and Old Colony, and later with the Monarch prior to establishing his general agency. His insurance experience goes back still farther to early training in his father's agency in Purcell, McClain county, Okla. McClain county was named for his father.

Jorgensen Takes Oklahoma for London & Lancashire

George A. Jorgensen has been appointed Oklahoma state agent for the London & Lancashire with headquarters in Oklahoma City. He succeeds W. P. Purkhiser, resigned. Mr. Jorgensen has had a number of years fire insurance and engineering experience in various parts of the country. He has been on the staff of a number of rating bureaus in the east and west.

Wisconsin Field Men Plan Activities for Coming Year

MILWAUKEE—The Wisconsin Fire Underwriters' Association held its quarterly meeting last week in Milwaukee, President C. H. Dachenbach presiding and Henry Busack officiating as secretary-treasurer. The meeting was well attended. Plans were discussed for activities during the coming year, including the Business Development and the local board organization and development programs, in cooperation with the Wisconsin Association of Insurance Agents. The quarterly meeting also served to introduce to the members generally the new assistant secretary, Miss Annette G. Maertzweiler, who succeeds Mrs. Nellie F. Bodie, who resigned recently after 15 years of service. Nine new members were elected. The resignation of J. C. Qualmann, formerly state agent Phoenix of Hartford, now associated with the Roberts Co., Milwaukee

local and general agency, was accepted. Harvey J. Girard, state agent Providence Washington, was elected executive committeeman to succeed Mr. Qualmann.

D. W. Swanson, St. Paul Fire & Marine, new chairman of the public relations committee, announced that meetings have recently been attended with the Tri-County Underwriters Association of Ashland, Bayfield and Iron counties, at Ashland, and another at Wausau with north central Wisconsin local agents.

Atwood Lindsay Promoted

The Commercial Union group has appointed Atwood Lindsay special agent in western Massachusetts and Vermont, succeeding E. T. Campbell and H. W. Griffin. Both Mr. Campbell and Mr. Griffin will continue to supervise eastern Massachusetts, making their headquarters as heretofore in Boston. Mr. Lindsay has been employed in the underwriting department in the head office in New York City for a number of years and has also served in the brokerage and service and all risks and inland marine department. During the past year he has traveled Massachusetts and Rhode Island as assistant to Mr. Campbell. He will office at 1200 Main street, Springfield, Mass.

Hubbs to San Francisco

Ronald Hubbs has been transferred from the Portland, Ore., office of St. Paul Fire & Marine marine group to the production department in San Francisco. He entered the business in San Francisco in 1930 with the Southern Surety, later was with Hawkins & Roberts, local agents at Salem, Ore., and in 1932 joined the St. Paul as special agent in Washington and Oregon.

Forrey New Illinois Special

The Fire Association is sending into the Illinois field as special agent a well equipped young man, Harry M. Forrey. He will assist State Agent A. R. Rathslag. He takes the position of J. C. Burt, who has been transferred to Denver as state agent in the mountain field. Mr. Forrey graduated about 10 years ago in the fire insurance course at Northwestern University and has gained experience at various desks in the Fire Association western department and has had some field assignments. He has the confidence of the management.

Plan Grand Nest Meet

David M. Christian, San Francisco manager of the Travelers Fire, has been appointed vice-chairman of the general committee of the Blue Goose in charge of entertainment for the Grand Nest meeting in Los Angeles in 1938. Mr. Christian will represent the San Francisco pond and will work with Verne McKinney, special agent of the Continental at Los Angeles, general chairman.

Mr. Christian has also been named chairman of an entertainment committee formed by the San Francisco pond to take care of ganders en route to and from Los Angeles. Mrs. Christian has been appointed chairman of the ladies' committee.

Vining of Hanover Fire Dies

C. V. Vining, special agent Hanover Fire for Maine and New Hampshire, died at his summer home in Crescent Beach, Me., following an illness of several months. He went with the Underwriters Bureau of New England in 1921 and was successively connected with the Boston office of the Travelers, traveled Maine for the Fireman's Fund and in 1934 was appointed special agent of the Scottish Union & National for Maine

and New Hampshire, which position he resigned last year to go with the Hanover Fire.

Indiana Field Meeting

Instead of monthly as in the past, the Indiana Fire Underwriters Association will meet quarterly hereafter. A large turnout Monday indicated aroused interest in the new program. President G. L. Heinz presided. Committee reports were made by Chairman C. R. Watkins for the executive committee, M. C. Buckingham, Business Development committee, and T. R. Dungan, fire prevention and bulletin committee. R. P. Elder reported for a special committee on the annual address of retiring President M. O. Jones at the annual meeting in June, which contained a number of important recommendations.

President Heinz announced two new committees, a committee on rules and forms of which C. A. Woerner, Jr., is chairman, and a grievance committee with John W. Noble as chairman.

George R. Jones in New Post

George R. Jones, who recently joined Pacific National Fire in a field position with headquarters in Kansas City, is to be responsible for Iowa, Nebraska, Kansas, Oklahoma and Arkansas. A. B. McLean, general agent at Kansas City, continues to supervise Missouri. Mr. Jones' territory includes two states—Iowa and Nebraska—that were formerly under the jurisdiction of A. B. O'Malley, special agent with headquarters in Chicago. Mr. O'Malley's territory now consists of Indiana, Illinois, Wisconsin and Minnesota.

Mr. Jones was connected with Corroon & Reynolds for eight years, for a time being employed in the Kansas City office, then serving in the Oklahoma field and more recently traveling out of Kansas City. He is a native of Kansas City and graduated from Rockhurst College of that place.

San Francisco Pond Meet

The San Francisco Blue Goose will hold its annual banquet Nov. 19. William Deans of Selbach & Deans will be toastmaster. More than 200 ganders from northern and southern California will attend.

Honor C. F. Collins

C. F. Collins, state agent of the Aetna Fire in western Missouri, who is being placed on the voluntary reserve list, will be honored at a party of the Heart of America Blue Goose Oct. 23 in Kansas City.

Death of W. J. Badenhop

W. J. Badenhop of Eau Claire, Wis., state agent of the North British & Mercantile group, died at the Sacred Heart Hospital in his city after a brief illness.

John F. Stief, who served for many years in the Pennsylvania field, died in Philadelphia at the age of 69.

Yetka's Speaking Engagements

ST. PAUL.—Commissioner Yetka is so much in demand as a public speaker that he has been forced to be away from his office much of the time this month. He has been asked to address luncheon clubs, bar associations and meetings of insurance men in addition to giving radio talks.

Some of these talks were made in connection with Fire Prevention Week but most of them had no connection with that observance. Among the clubs the commissioner has addressed this month were the Kiwanis at Montevideo, and the Rotary at Rochester. This week he spoke before the Hennepin County Bar Association and later in the month will address the annual meeting of the Association of Mutual Fire Insurance Engineers at Minneapolis.

AS SEEN FROM CHICAGO

TALK ON NEW CODE

Two speakers on the new Illinois insurance code drew a big turnout at the October meeting of the Cook County Field Club Monday. Roy L. Davis, assistant director of insurance of Illinois, briefly described the chaotic condition of the insurance laws in the state prior to the code. Henry S. Moser, chairman of the drafting committee of the insurance committee of the Illinois Bar Association, then explained some of the changes brought about by the code.

One of the important points is the control of new company promotions, which have long been a byword in Illinois. The code protects those who purchase stock. Another feature raises the financial requirements for both stock and mutual companies. New mutual benefit associations cannot be organized and the old are brought under closer supervision. Admitted assets have been defined. Investment laws for all companies have been made more strict. It is no longer possible for an insurance company to concentrate its investments or put all its eggs in one basket.

Another new feature is the penalty on vexatious resistance of claims. This penalty cannot exceed \$500 in any event. On small claims it may reach 25 percent of the claim, but it can never exceed the amount of difference between what the company offered in settlement and what the jury finally allowed.

Unauthorized companies delivering policies to insured in Illinois thereby constitute the director of insurance attorney for service of process. It is believed this provision will stand the constitutional test. A similar provision on nonresident motorists using the highways of the state has been upheld by the United States Supreme Court. Inability of the victim of unauthorized insurance to secure any redress in the state is the principal evil of that kind of insurance, said Mr. Moser.

F. O. AFFELD, III, IN CHICAGO

F. O. Affeld, III, assistant counsel Penn Mutual Life, is attending the meeting of the American Life Convention in Chicago this week. He has a distinguished insurance history. His grandfather, F. O. Affeld, is still living and for many years was United States manager of the Hamburg-Bremen Fire of Germany, which was forced to retire from the country when the United States declared war. Mr. Affeld's father, F. O. Affeld, II, is a distinguished attorney in New York who has an extended insurance practice. The senior Affeld had a twin brother, C. E. Affeld, who was a member of the firm of Witkowski & Affeld, who were western managers of the Hamburg-Bremen and also conducted a Chicago life agency. C. E. Affeld's son, C. Ernest Affeld, has a local agency in Chicago.

FRANK ERION TO SPEAK

Frank L. Erion, well known independent adjuster of Chicago, will speak before the "26 Club" composed of some of the outstanding brokers in Chicago at its meeting Oct. 28. He will discuss the question of improvements and betterments to buildings under the contents form.

DR. DINGMAN HEADS DRIVE

Dr. Harry W. Dingman, vice-president Continental Assurance, is general chairman of the insurance division that has been assigned to raise \$75,000 in the current Chicago community chest drive. Dr. Dingman Tuesday evening gave a cocktail party for the various captains and heads of subdivisions under his command prior to a dinner for community chest workers generally. Neville Pilling, U. S. manager Zurich, is chairman of the casualty division; S. M. Buck, western manager Fireman's Fund, fire division; W. M. Houze, gen-

eral agent John Hancock Mutual, life agencies division; H. L. Bloom, vice-president Lumbermen's Mutual Casualty, mutual division; Fred A. Johnson, supreme vice-archon and general organizer Royal League, fraternal, and Walter Webb, vice-president Hercules Life, home offices.

PRUDENTIAL BROKERS' SCHOOL

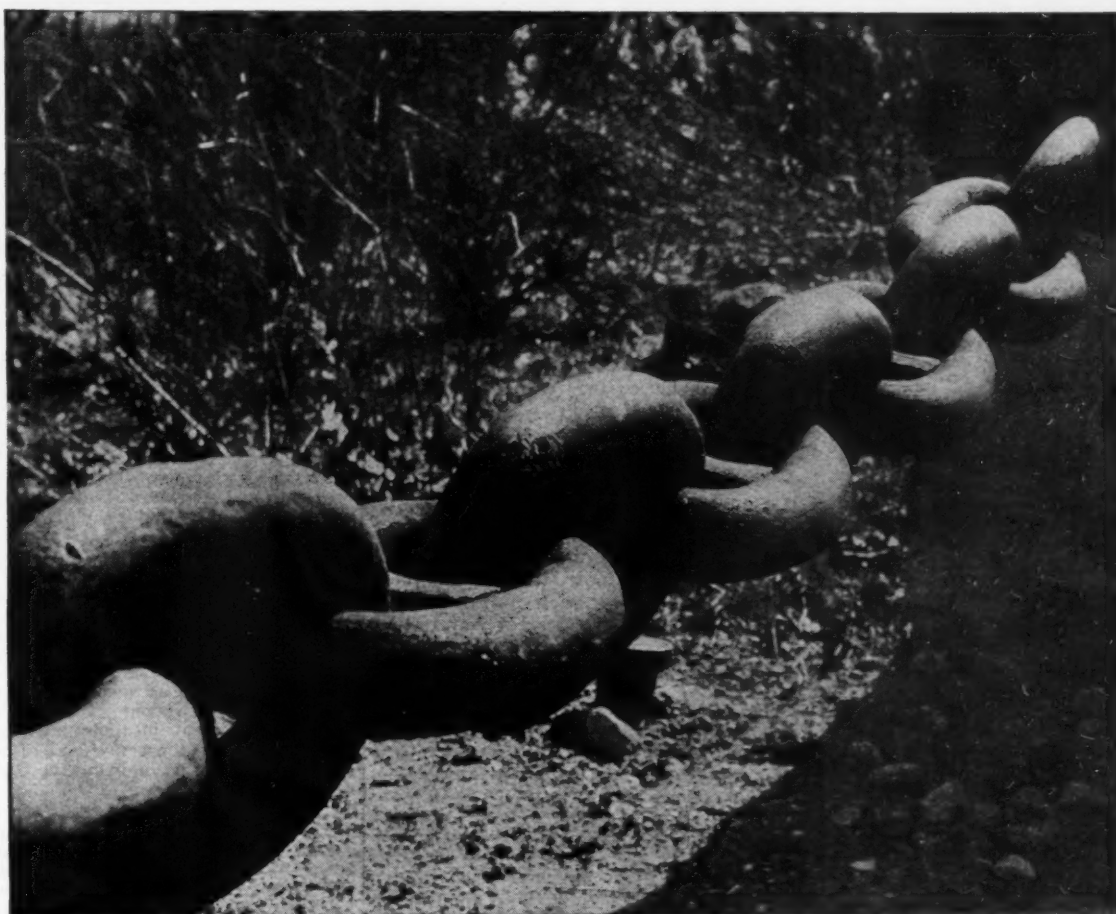
A brokers' school to run until Dec. 17 was started by the Prudential ordinary

agency of Manager A. Van Goldman in Chicago. Classes are being held Fridays from 4:30 to 5:30 p. m. in the agency's assembly room. General insurance brokers are invited to attend. Subjects were selected to give the brokers a well rounded knowledge of life insurance fundamentals. Mr. Goldman gave the introduction in the opening class period. Assistant Managers R. A. Cameron and S. A. Kent, Don Alford and R. J. Murphy, agency assistants, and B. F. Collier of the Chicago group office will be instructors. Subjects include: company regulations, policy contracts and provisions, beneficiary arrangements and settlement options,

prospecting and approach, presentation and close, sole proprietorships and partnerships, and close corporation, open discussion of business insurance, group and wholesale insurance, comprehensive review and sales clinic.

Bennett to Be Indiana Speaker

Walter H. Bennett, secretary National Association of Insurance Agents, will be the main speaker at the annual meeting of the Indiana Association of Insurance Agents in Indianapolis Nov. 16. D. H. Swadener, of Mishawaka, is now the president of the Indiana association.



L. J. Heffernan from Gendreau, N. Y.

Sturdy Links of Security

The people to whom you sell insurance are buying one thing, and one thing only. They want from you, primarily, not bargains or profits, not fancy documents or "new" kinds of coverage. These things are secondary. It isn't insurance, or policies, or "coverage" that interests them. What they want, those clients of yours, is that dream and hope of every man: security — security of home, security of business.

So see yourself as your world should see you — as a salesman of security. Teach your clients and your prospects to look to you as the vendor of that greatest gift of all.

As a salesman of insurance you impose upon yourself an inviolable obligation. It is the obligation that your policies, those sturdy chains you sell against disaster, shall never fail the buyers of insurance who depend upon them for security.

You cannot evade, you cannot escape this fundamental obligation. There is no acceptable excuse for offering your clients a contract of insurance that is less secure, less absolute in its protection, than that of the soundest, staunchest companies. We blow here not only our own horn but that of every strong company. And we blow it not alone for our benefit but for yours, and for your clients'.

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EDITORIAL COMMENT

Boiler Engineers As Real Public Servants

GEORGE W. CARTER of Detroit in speaking before the merchandising session of the NATIONAL ASSOCIATION OF INSURANCE AGENTS on boiler and machinery insurance stressed the fact that the rate structure is highly important in presenting the merits of boiler insurance. The bigger part of the premium covers service rather than indemnity. This is different from almost any other phase of insurance. Boiler insurance is largely preventive, so to speak.

He made the very valuable point that boiler engineers and inspectors are of vast value to the public in that by their careful, scientific, intelligent work they catch weaknesses and faults, thus preventing boiler explosion. These men go along in their quiet way without receiving acclaim and yet they are very valuable as civilization becomes more complex, plants become more extended and as hazards increase. Boiler insurance companies employ only qualified engineers. Even if they had no other

function they are safety valves against carelessness or indifference. That is, a plant's own engineers might not discern the defects that the insurance engineers discover.

Mr. CARTER stated that his agency is carrying on a sales campaign for boiler and machinery insurance starting Sept. 1 to the end of the year. A carefully compiled list is made of all householders, apartment owners that have boilers whether high or low pressure, the fact being presented to them that by paying \$1 a month they have their boilers inspected and their safety guaranteed.

He opined that use and occupancy is neglected in this field. In that connection it is necessary to emphasize the possible physical damage. Very often through the use and occupancy route an approach is made for boiler insurance. He stated that in case of power machinery if a key machine is damaged the loss may be very great. Therefore, use and occupancy comes into play.

More Scope Given to Rural Agents

THE work of the rural agents conference committee of the NATIONAL ASSOCIATION OF INSURANCE AGENTS is to be highly commended. At the Dallas convention there was the first real meeting of this important committee that was started actually at the mid-year meeting in Omaha. Fortunately the chairman, R. W. FORSHAY of Anita, Ia., is a man well informed, a capable leader, one who is making a big success in his work, who is resourceful and whose judgment is sound.

The fact that the National association

can now offer lower dues to rural agents should bring them into the fold. At every meeting it is planned to have something of definite value to the people soliciting farm insurance and those residing in the smaller towns. They have an all inclusive coverage, a sort larger places. There are mutual questions that apply to all agents. However, there are certain problems that are purely rural. Mr. FORSHAY's leadership is a guarantee of success of this most recent departure to bring farm agents into the fold.

Demand for Full Coverage

MORE and more the comprehensive policy is coming into popularity. It is convenient for the policyholder, often obviates overlapping and non-concurrent coverages, frequently eliminates dispute as to liability and satisfies the assured that he is covered for various hazards which he feels are essential to recognize. The comprehensive policy might very well be likened to the table d'hôte bill of fare. Many persons prefer that to ala carte. The policyholder very naturally should be allowed to select

his coverages and have them separate if he so desires. However, on the other hand he should be permitted to have an all inclusive coverage, a sort of blue plate luncheon where the coverages are included in the single price. It often happens that a hazard that may seem somewhat remote is not recommended by an agent and the unexpected happens. It is the table d'hôte or comprehensive policy that makes the policyholder secure against unforeseen hazards.

Need for Insurance Sales Leadership

WHEN WADE FETZER, president of W. A. ALEXANDER & Co. of Chicago was being honored on his 40th anniversary with the organization, he made some obser-

vations regarding the conduct of insurance that deserve the utmost consideration. He took the ground that while casualty and fire insurance is conducted

efficiently and the men in it have done a remarkable piece of work, the business needs sales leadership.

He took the ground that company executives as a rule are not sales-minded although he did say that some of the companies are now appreciating the need of adopting merchandising rules and methods and studying the plans of other great sales organizations to see what can be adapted to insurance.

Mr. FETZER is an exemplification in a personal way of his advocacy of sales-minded executives. He is primarily a

salesman, although he is a successful administrator. He is one of the largest personal producers of insurance in the country. He believes in adopting a definite, hard hitting, aggressive, service giving sales policy.

The time has come, in our opinion, when the business can well afford to promote a research laboratory, to create new markets and ascertain new needs for insurance. We need to spread our sails and send out scouts to make report of what can be done on the frontier.

PERSONAL SIDE OF BUSINESS

J. Watson Beach, Hartford local agent and former mayor, has been nominated for mayor by the Republican party.

Secretary Walter H. Bennett of the National Association of Insurance Agents has issued invitations to the marriage of his youngest daughter, Geraldine Elizabeth, to Richard E. Boschen to be solemnized at 8:30 p. m. Nov. 6 in the Watchung Congregational Church, Montclair, N. J. A reception at the Glen Ridge Country Club will follow. Those who have come in contact with the bride-elect since her early years appreciate her charm and her many superior endowments.

John A. Hartigan of St. Paul, 72, who was formerly Minnesota insurance commissioner and later was associated with the St. Paul office of the Equitable Life of New York as inspector of agencies, died last week. He was well known and greatly beloved. He contracted cancer and had been confined to the hospital and his home for over a year. He was one of the best known insurance men in the west. His son, John E. Hartigan, recently joined the home office staff of the Equitable Life as agency assistant. His daughter, Elizabeth, accompanied her father to many insurance meetings and especially to the convention of the National Association of Insurance Commissioners.

Robert C. Pittelkow of Milwaukee, son of R. J. Pittelkow, who owns and operates the agency conducted under the name of Charles Pittelkow & Son in Milwaukee, who was recently elected a member of the Milwaukee Board, represents a third generation of Pittelkows holding membership in that organization. The firm of Charles Pittelkow & Son is one of the oldest offices in Milwaukee and was started by the late Charles Pittelkow in 1878. Robert Charles Pittelkow, son of Robert J., who is now the head of the agency, will help perpetuate a business which was begun 60 years ago and will continue its fine traditions.

Harry E. McClain of Indianapolis, former Indiana insurance commissioner who after leaving office was in charge of the insurance department of the Union Trust Company there, has been appointed state manager of the Pan-American Life of New Orleans and is opening offices in the Architects & Builders building. Mr. McClain has a wide acquaintance throughout the state

and will immediately start to build an organization for the company. Prior to becoming insurance commissioner he was a local agent at Shelbyville, Ind., and in that connection had considerable experience in life insurance.

J. F. D. Scheltema, who is making a trip through the Pacific Coast with R. R. Clark, United States manager of the Caledonian, is general manager at the head office of the Netherlands. In a recent article Mr. Scheltema was incorrectly identified as being general manager of the Caledonian.

Mae Barr Long, deputy insurance commissioner of California, has been ill at her home for two weeks. As soon as her condition improves an operation is planned. She will not be able to return to her duties until the latter part of November.

E. G. Smith, blind president of the Smith & Smith agency, Detroit, received Permit No. 1 to take his "seeing eye" dog who guides him safely through downtown traffic, on city busses and street cars. The permit was issued under a new city ordinance that makes an exception in the standing ordinance forbidding dogs on public conveyances.

Homer G. Meek, Indiana state agent of the London Assurance, is a happy grandfather. It is a boy, Michael Stuart, son of Mr. Meek's daughter, Mrs. Bowman.

E. D. Lawson of Chicago, western marine manager of the Fireman's Fund, takes great pride in his stance in playing golf. He desired to exhibit some of his artistic ability in this direction at the Dallas Country Club course at the time the National Association of Insurance Agents was meeting in Dallas. One of his foursome was Harry F. Legg of New York City, an official of the Fireman's Fund Indemnity. Mr. Lawson was addressing the ball at the first tee and Mr. Legg recognized what he considered a serious fault as he was swinging his club. He volunteered to give Mr. Lawson some instruction and started toward the tee. Mr. Lawson evidently did not think he would come within range of his swinging. Mr. Legg felt that Mr. Lawson would stop. The result was that Mr. Legg got a sharp crack on his shin but he continued playing for 12 more holes and then the injury became quite painful. He had to go to bed and receive medical attention.



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CINCINNATI OFFICE — 420 E. Fourth St., Tel. Parkway 2140. Louis H. Martin, Mgr.; Curtis C. Crocker, Vice-President.

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DES MOINES OFFICE—2215 Grand Ave., Tel. 4-2498. R. J. Chapman, Res. Mgr.

NEW YORK OFFICE—1200-122 William St., Tel. Beekman 3-3953. Editorial Dept. — G. A. Watson, Assoc. Ed., R. B. Mitchell, Asst. Ed. Business Dept.—N. V. Paul, Vice-Pres.; W. A. Spiker and J. T. Curtin, Resident Managers.

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Mr. Lawson still maintains that his stance was finished and gets results.

Emil Wald, Jr., 34, special agent in Virginia and North Carolina for the A. H. Turner office in Atlanta, with Richmond headquarters, was found dead in his room in a hotel in that city last week, the victim of a heart attack. His wife and son were visiting relatives in Columbia, S. C., at the time. He was with the Virginia rating bureau for several years. His wife had been called to Columbia by the illness of her mother and was planning to return to Richmond when advised of his death.

John J. Holmes, Montana commissioner, is on a visit to Ireland, following the American Legion convention in New York.

Ivan Escott, vice-president of the Home, stopped over in Indianapolis on his way home from the Dallas convention to spend the week-end with his son who is a student in Indiana University.

Harry Tinkelpaugh, of the Tinkelpaugh & Lind agency, Kansas City, Kan., and president of the Kansas Association of Insurance Agents, has a home at the Lake of the Forest near Kansas City. On a recent evening he stepped into the shower, singing. Followed a burst of noise as Mr. Tinkelpaugh ran shouting from the shower. A short time later a pistol shot rang out, and then silence.

Mr. Tinkelpaugh's singing was cut short when he looked up and saw a large black snake coiled around a beam over the shower. His son, Mac, apprised of the situation, grabbed a pistol and ended the snake's life. Mr. Tinkelpaugh did not finish his shower.

M. J. Wroten, head of the agency bearing his name, at Kansas City, Mo., died of heart disease. He was 48. He established the Wroten agency shortly after going to Kansas City in 1918.

A. L. McCormack, president of the Charles L. Crane agency of St. Louis, is in Chicago this week attending the annual meeting of the American Life Convention in which he is interested, due to the fact that he is also president of the Central States Life of St. Louis.

Frank M. Angell, 44, St. Paul manager for Cullen & Crowther, general agents of the Pearl Assurance and Anchor Casualty, died there.

T. I. Mulcahy of Milwaukee, Wisconsin special agent for the National, announces the arrival of a second son, Charles C. Mulcahy.

Sakae Suzuki, managing director of the Tokio M. & F., is on his way back to Japan, sailing from San Francisco, after having been away since April. He was a member of the Japanese economic commission that visited a number of countries in the interest of promoting mutual trade agreements. He attended the international meeting of chambers of commerce in Germany. He was in London for about a month and brought with him to New York about a month ago G. Moriyama, who had been in

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CANDID SHOTS AT DALLAS NATIONAL MEET



Among the active participants at the National Association of Insurance Agents meeting in Dallas were:

Top row left to right—W. P. Welsh, Pasadena, Cal.; Frank C. Colridge, Oak-

land, secretary California association; Frank G. McElroy, Shreveport, La., and Mrs. McElroy. Bottom row left to right—J. R. Plummer, Ft. Worth, vice-president Commercial Standard; Harry H. Ful-

ler, deputy U. S. manager Zurich; Robert S. Gottschalk, Jr., New Orleans; and Speedy S. Smith, Dallas. Photographs by Mr. Fuller.

London about three years in the marine business and who is to be Mr. Suzuki's secretary. On the trip westward from New York they were accompanied as far as Chicago by G. Z. Day, assistant United States general agent.

Mr. Suzuki is president of the Taifuku Marine & Fire, Tokyo Fire Alarm System Company and is a director of a number of institutions including the affiliated Meiji Fire, Mitsubishi M. & F., Tomei F. & M., Nippon Salvage Company, Japan Average Adjusting Office, Imperial Japanese Marine Corporation, Insurance Institute of Japan and Shinko building.

C. R. Street, vice-president and western manager of Great American, has again mysteriously disappeared. During the past year or so Mr. Street has on several occasions slipped out of the city, without letting his associates know his destination. This always arouses much speculation, but Mr. Street assiduously avoids satisfying anyone's curiosity. He returns and takes up his work without saying a word as to where he has been. Mr. Street was last seen in St. Louis last Friday, where he attended the conferences relating to the St. Louis in-and-out controversy. He has been seen no more but the chances are he will be back at his desk next Monday.

Vice-president Felix Kurz of the General of Seattle is on an extensive agency trip in the east and he will not return to the head office until Christmas time. After making some stops in Iowa and Minnesota and in Chicago he went to Cleveland to meet E. E. Cole, Jr., eastern manager, Thursday of this week and the two will be together for some time.

George Fagin of Kansas City, state agent of the Great American, is seri-

ously ill in a hospital there with peritonitis which developed from a ruptured appendix. He is reported to be improving satisfactorily.

Fred D. Hess, assistant western manager of the American of Newark, attended the Missouri Association of Insurance Agents convention at Columbia this week with O. D. Cox, state agent, and Kenneth L. Hingst, special agent.

Mrs. Wm. F. Lake, whose husband is a local agent at Hot Springs, Ark., died there from injuries received when her automobile wrecked and caught fire near Conway, Ark. She was nationally prominent in women's club activities.

A number of prominent insurance people en route to New York after attending the convention of the National Association of Insurance Agents at Dallas narrowly escaped death or serious injury last Friday morning. When passing near Vandalia, Ill., a wheel on a car of the Pennsylvania Railroad, upon which they were riding, broke, throwing the rear Pullman, in which the insurance people were seated, off the track. While badly shaken up, none of the party suffered injury, arriving in New York some two hours behind schedule. Had the accident occurred a few yards farther on, where the engine was brought to a stop on the trestle over the Cascade river, the result might have been tragic.

In addition to Secretary M. E. Sprague and Vice-president William Quaid of the Home, occupants of the Pullman included: C. C. Hannah, eastern manager Fireman's Fund; E. D. Patton, secretary Northern of London; J. A. Lloyd, secretary Ohio Agents Association; T. H. Pollock, Wheeling, W. Va.; F. W. Brodie, Waterbury, Conn.; F. S. Dauwalter, director, and

A. R. Menard, assistant director, Business Development Office.

No Minnesota Printed Report

Insurance Commissioner Yetka of Minnesota notifies inquirers that owing to insufficient funds the department is not able to get out its printed report.

Farm Fire Protection Meeting

The committee on farm fire protection of the National Fire Protection Association has announced that its regular fall meeting will be held in Chicago, Dec. 1. The chairman is Dr. David J. Price, U. S. Bureau of Chemistry & Soils, Department of Agriculture.

N. Y. Amendments Put Over

NEW YORK—At the request of the executive committee of the New York Fire Insurance Exchange, no action was taken by the organization at its meeting Wednesday upon the two proposed changes in the agreement offered by the committee some time ago. These will be considered at the November gathering. The amendments dealt with the method of handling complaints against members and with the degree to which property appraisals could be employed. A. H. Wittholm of the Federal of Jersey City was elected to membership on the arbitration committee.

Kentucky Blue Goose Dance

LOUISVILLE.—Following a meeting of the Kentucky Fire Underwriters Association the Kentucky Blue Goose had a dinner dance. Fifteen new goslings were on hand.

At Kansas City, Mo., the insurance firm of L. J. Baer & Co. has been purchased by the persons active in conducting its business since L. J. Baer died last February. Kenneth Dubach is a director in the new office. He will continue with the insurance department.

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CHICAGO, ILLINOIS

The NATIONAL UNDERWRITER

October 14, 1937

CASUALTY AND SURETY SECTION

Page Seventeen

Big Casualty Meet on at White Sulphur

Automobile Rate Competition Is Viewed by Agents

Casualty Men Consider Mutual Situation — Schaefer for, Fetzer Against Rate Cut

WHITE SULPHUR SPRINGS.—C. A. Abrahamson, Omaha, president of the National Association of Casualty & Surety Agents presided at the round table meeting of the agents, prior to the joint sessions of that body and the International Association of Casualty & Surety Underwriters. Mutual competition in automobile liability was the chief topic of discussion. It was unanimously agreed that closer cooperation between the companies and the three producers' organizations, the National Association of Casualty & Surety Agents, the National Association of Insurance Brokers and the National Association of Insurance Agents, must be attained. President Abrahamson presented figures showing the decrease in the number of automobiles in Nebraska that were insured in stock companies for the past five years. A greater percentage of the business is constantly going to mutuals, he said, because of their greater liberality and lower rates.

Joint Contribution Urged

H. W. Schaefer, New York City, stated that in his opinion rates should be reduced through a joint contribution by the companies and producers. He said that buyers of insurance are divided into two classes; those who buy insurance in stock companies because of the services rendered and the principle behind the institution, and the price buyer, who naturally chooses the mutuals because of the lower cost.

Mr. Schaefer stated that there was a lessening of the activities of the companies in playing the committees representing the producers' organizations against each other. The division of the acquisition item has been the stumbling block for these committees, he said, but a better understanding has been reached since the companies have given their committee the authority to act.

Fetzer Takes Issue

Wade Fetzer of Chicago took issue with Mr. Schaefer in his contention that a reduction of rates was the solution to the mutual competition problem. Automobiles, said Mr. Fetzer, are luxuries in the last analysis, and yet they have been made a household essential through the joint cooperation of automobile manufacturers and dealers. He said that if the rates on liability insurance were

(CONTINUED ON PAGE 26)

Buyers to Weigh Common Criticisms of Insurance

WHITE SULPHUR SPRINGS, W. VA.—After giving assurance to his audience that the Risk Research Institute does not intend to snap at insurance interests, A. M. Schmidt, president of the institute, said that the basis of certain fundamental criticisms of the insurance set up that are commonly voiced will be examined. Until investigation is completed, he said, the institute's attitude towards these matters is neutral. Mr. Schmidt is insurance manager Johns-Manville Corporation. He addressed the big casualty convention here.

One of the criticisms is that there is a lack of adequate progress in the matter of loss prevention. The first concern, he observed, should be the conservation of economic values and this can only be done through loss prevention measures. He expressed the belief that a diligent campaign to curb destruction of property and life would yield handsome dividends.

The objective should be to decrease losses and, thereby, the investments in insurance.

Insurance Costs Too Much

Another fundamental criticism is that insurance costs too much. This is a deeply rooted and widely shared conviction, he observed. Many critics believe there is something fundamentally wrong with a system under which a dollar of premium must be collected, on the average, to pay each 50 cents of losses. "It does not seem logical to these people," he said, "that it should cost 50 cents to spend 50 cents."

Various items comprising the expense loading will be studied, he said. When it comes to commission levels, the effect of competition, between companies as well as between producers, will be scrutinized. There will be a study of the value of the producers' services to the buyer and the qualifications of producers. Company and bureau administrative and statistical activities will be studied as well as loss adjustment operations. Taxes and other government fees and expenses will be reviewed. This difficult and comprehensive undertaking must be done, he argued, if the complaint of the policyholder is to be answered authoritatively. In the interests of preserving private control of insurance, particularly of the promulgation of rates, he voiced the opinion that a satisfactory answer must be found.

To Study Market's Flexibility

The complaint, he said, will be investigated that buyers have difficulty getting the kind of insurance they want. A study will be made to determine whether applications were rejected because the insurance could not be written legally or because the underwriters were indifferent. If the buyers have been asking for protection to which they

are not legally or morally entitled, they should be so informed.

This, he declared, raises the fundamental question of whether the insurance system should try to anticipate changes in the coverage requirements of business or whether it should wait until the demand for new forms comes from business.

A study will also be directed at the operations of rating organizations and procedure. Some of the criticisms in this respect are that the bureaus are not independent but are directly or indirectly managed by companies; that there are too many rating formulae, especially in fire insurance, and that none of them are sound and equitable actuarially because too many factors are weighted in accordance with the personal judgment of the rater; that the statistics upon which many classes of rates are made are incomplete or inaccurate; that some rating organizations are attempting to perform the underwriter's function; that experience and equity rating have been carried too far and, conversely, have not been carried far enough; that rating activity has been surrounded with needless secrecy and saturated with politics; that the science of rating has not kept pace with expansion of underwriting.

Expansion of Body of Law

The validity of these charges should be either established or disproved, he said.

The buyers, he said, are concerned because of the continued expansion of the body of law governing insurance operations in the 48 states.

The buyers, he said, desire to formulate a statement of their position particularly in view of the present tendency, as witnessed by the experience in Illinois and New York, to recodify the laws. This activity is accompanied by an expansion of state control and regulation of insurance. The time is ripe, he said, to take inventory of the results of government supervision and determine if there are sound reasons for revising the ideas respecting the scope and objectives of insurance laws.

University for Buyers

The Risk Research Institute, according to Mr. Schmidt, is intended to be a university for buyers. Its main function is the education of its members. It is dedicated to helping the insurance manager to get usable and dependable fundamentals. Its research is non-partisan and scientific in its detachment and thoroughness and national in scope.

Among its accomplishments so far has been the investigation and exposure of the practice of inserting hold-harmless clauses in nearly every type of business instrument; conducting a nation-wide census of the attitude of insurance buyers on the proposed revision of the standard fire policy and the preparation

Commissioners Are Featured at Convention

Seven State Officials Are Heard—Much Discussion of "Coditis"

By DOROTHY B. PAUL

WHITE SULPHUR SPRINGS.—The opening session of the joint meeting of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents, presided over by James M. Haines, U. S. Manager London Guarantee, on Tuesday was characterized by lively interplay of words among the seven insurance commissioners present.

Commissioner G. A. Bowles of Virginia, president National Association of Insurance Commissioners, extended greetings from his organization. Insurance is the gospel of modern protection, he said, and the end of monopolistic state fund insurance lies only in the termination of internal strife among the companies. The solution of the problem is to be found in education within the company ranks rather than in departmental rulings. The insurance business, Commissioner Bowles stated, should be so conducted that it be the industry least regulated by official control.

Superintendent L. H. Pink of New York admitted in his introductory remarks that he had fallen a victim to the disease of "coditis" which is affecting so many insurance commissioners. He said that while Director Palmer of Illinois has again been accepted by his fellow men, he is still in quarantine. Seriously Mr. Pink stated that the insurance codes are not so much for the benefit of each state individually as for all the states in the interest of uniformity. The codes are only the beginning, he said, and after they have been completed they should be unified into one single code for the future of the institution of insurance. This is the challenge facing the commissioners' association, Mr. Pink asserted.

Ernest Palmer greeted the assembly and was followed by C. A. Gough, dep-

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of a set of recommendations, most of which were adopted by the commissioners' committee; analysis of the retrospective plan for rating compensation business; a study of the legal aspects of riots, strikes, etc., and their insurance implications; analysis of commercial fidelity bonds.

Blackall Warns of Over-Extension of Writings

Connecticut Commissioner Finds Many Casualty Companies Too Ambitious

WHITE SULPHUR SPRINGS—Commissioner Blackall of Connecticut, in addressing the big casualty convention here this week, warned against the over extension of premium volume with relation to capital and surplus on the part of casualty companies. He applauded the requirements found in the draft of the proposed New York insurance code for substantially higher minimum capital and surplus requirements for this type of company.

Mr. Blackall said he is not criticizing the many sound and well managed companies that select their risks carefully and confine their volume to what their capital and surplus structures can stand without undue strain. However, in other companies, he declared, the maintenance of a proper relation between premium volume and financial resources seems to be a secondary consideration.

Comparison With Fire Units

Eliminating the accident departments of life companies, the casualty companies licensed in Connecticut wrote \$744,000,000 of net premiums in 1936 on a combined capital and surplus of \$347,000,000 or a ratio of nearly two to one, he pointed out. On the other hand, the fire companies with combined capital and surplus of \$1,564,000,000 wrote net premiums of only \$776,000,000 or a ratio of practically one to two.

Thus, he commented, casualty companies are taking on approximately four times the volume with relation to their financial resources as are the fire companies.

Admitting that the fire companies have built their substantial capital structures over a long period and that their premium volume has become more or less stabilized and admitting that under present conditions it is not easy to obtain new capital, Mr. Blackall asserted that over extension of volume with relation to capital and surplus is an exceedingly dangerous practice "in the light of both historical experience and the ordinary dictates of common sense."

He pointed out that underwriting profit margins on casualty lines are in general lower than those in the fire business and these profit margins tend to be more uncertain because the casualty business is more profoundly affected by the business cycles than the fire business.

Favors "Conflagration" Reserve

Mr. Blackall recommended that casualty companies set up a fund comparable to the conflagration reserves of fire companies. What would correspond to a disastrous conflagration in the casualty business is a deep and extensive business depression, he declared.

Mr. Blackall discussed the claim procedure of casualty companies. A new law was enacted in Connecticut this year providing for the regulation of adjusters. The handling of cases arising out of automobile coverages and owners, landlords and tenants policies prompted the legislators to act. It provides for the licensing of casualty claim adjusters. The department has ruled that all personal injury claims arising out of automobile coverage, O. L. & T. policies, compensation and master and servant policies, accident and all personal injury or death cases arising out of any policies protecting an assured under common law or statutory obligations are included. Fire company adjusters

Little Change in Final Auto Rates for Massachusetts

DeCelles Promulgates 1938 Schedule Following Hearing — Chase Tells Companies' Side

BOSTON.—The compulsory automobile liability insurance rate schedule for 1938 has been promulgated by Commissioner DeCelles. It shows some reductions for taxicabs in a number of cities and small decreases on passenger cars in a few localities under the schedule as tentatively given out earlier, before hearings were held. The changes will establish a schedule, as a whole, below the rates of last year which were protested by the companies.

The taxicab rates for Boston, Brookline, Chelsea, Everett, Lowell, Lynn, Malden, Medford, Revere, Somerville and Watertown were reduced from \$325 to \$315. In Fitchburg the rate was dropped from \$325 to \$275 and in Natick from \$210 to \$115.

Commissioner DeCelles stated the reductions were made because the hearings brought out evidence that substantial errors were made in the figures reported to the commissioner by the rating bureau.

Special Zone for Quincy

The city of Quincy was placed in a separate zone and the rate on small cars reduced \$1 to \$35.90. The little town of Auburn which has been making a militant fight against what it believed to be a conspiracy of fraudulent claim workers in that town received a small reduction, bringing its heavy cars to \$36.05 and light cars to \$33.75. Ipswich received a reduction of about \$3 on light and heavy cars.

Commissioner DeCelles, referring to the investigation of fraudulent claims, said: "The investigation of fraudulent claims will be vigorously pursued but public interest and necessity demand that the rates be promulgated at this time without further delay in order that the automobile owners may be able to register their cars."

Chase Sums Up Case

The process of rate making is a mathematical computation and premiums are determined by losses and not by the commissioner or by the companies, declared Judge F. H. Chase in summing up the companies' case at the close of the 1938 rate hearing.

Companies as well as car owners do not want high rates, he said. The companies do want and are entitled to have premium rates sufficient to cover the losses companies must pay and the expenses they must incur. He cited the Massachusetts supreme court's statement that insurance is a science in forecasting the amount necessary to pay for the injuries caused by automobiles operating during the coming year. The forecast must be made by the application of sound actuarial methods which are proven facts through past actuarial

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that handle third party property damage claims need not be licensed if they are already licensed as an agent for a fire company and if their authority does not exceed \$100.

Battle of Wits

The settling of casualty claims, he declared, should never be a battle of wits between an adjuster and a claimant or between an adjuster and a lawyer. The taking of statements from claimants while still suffering from the effects of their injuries and constant criticism cast at members of the bar get nowhere, he said. This creates a spirit of antagonism. Promptness, consistent with the medical progress of the claimants, should be a primary rule.

Again Heads Committee on Accident-Health Week



HAROLD R. GORDON

Harold R. Gordon, executive secretary of the Health & Accident Underwriters Conference, who has served as chairman of the general committee in charge of National Accident & Health Insurance Week for the past two years, was again reelected to that post at a meeting of the committee in Chicago this week.

Lawyers Get on His Trail After Exposure of Fakes

Efforts of the Birmingham (Ala.) Bar Association to curb activities of J. L. Wilkey, prominent independent adjuster, reached another stage last week when he filed a suit against former members of the unauthorized practice commission of the bar association seeking \$10,000 damages for his imprisonment for one hour for contempt of court.

The imprisonment occurred one year ago when Wilkey refused to comply with a summons to appear before the commission for questioning concerning his alleged practice of law without license. It was then that the presiding judge of the circuit court which had constituted the commission had him arrested and jailed for one hour.

Wilkey later appealed his case to the supreme court which held with him that the presiding judge had no authority to create the special commission. It was after this ruling that he sued for damages. The bar association has now instituted quo warranto proceedings in circuit court in a new effort to oust Wilkey. He contends that the association is actuated partly by spite because he was active two years ago in a campaign against fake damage suits, resulting in the arrest and conviction of several persons including two or more lawyers.

Discontinues Fictitious Fleet

Upon complaint made by the Ohio department at the suggestion of the Toledo Association of Insurance Agents, a company which has been insuring individually owned automobiles of members of the Toledo Teachers Association at a lower than manual rate has agreed to discontinue the practice. The department regards these association coverages as fictitious fleets.

Aetna Casualty's Exhibit

The Aetna Casualty & Surety ranked among the leading exhibitors at the National Safety Congress, held in Kansas City. The combined exhibit, including drivers' tests, motion pictures, and mechanical action displays, will emphasize nearly every phase of safety and accident prevention.

Gordon Again Is Chosen Chairman for A. & H. Week

Observance in 1938 Set for Week of April 18—Promotional Plans Discussed

Harold R. Gordon, who has had charge of National Accident & Health Insurance Week activities for the past two years, was again elected chairman for 1938 at the final meeting of the general committee in charge of the 1937 observance, which was held in Chicago this week. Mr. Gordon was again authorized to name the membership of the 1938 committee.

The week of April 18 was recommended to the new committee as the time for the 1938 observance, if nothing of a conflicting character develops. The slogan used in both 1936 and 1937, "Insure Your Earnings—Protect All," was again adopted. The general idea of the "68" button, which has been used so effectively the past two years, will be continued, probably with some slight modifications.

Recommendations Are Approved

Several suggestions made by Chairman Gordon in his annual report were approved and passed on as recommendations to the incoming committee. One was that the publicity material be confined, as was the case last year, to letterheads, posters, buttons and a practical booklet, and that no effort be made to prepare a definite radio program this year, although cooperation of radio stations will be sought wherever possible.

Another recommendation was that a definite program should be prepared for the use of the smaller and medium-sized companies, particularly those which do not have regular publicity departments, for stimulation of the agency force in connection with Accident & Health Insurance Week. This would include publicity and sales material for agency bulletins, house organs and correspondence to men in the field.

Certificate Is Suggested

In that connection a suggestion made by F. L. Templeman, manager accident and health department Maryland Casualty, was presented to the committee, that some sort of certificate be issued to agents, similar to that used by The Accident & Health Review in connection with the Hoodoo Day campaigns.

It was also agreed that a definite plan or a program of activity should be made available to the various local accident and health associations, outlining the activities which have been used successfully by various local groups and endeavoring to eliminate those which have proved ineffective.

Activities Greatly Expanded

The report of Chairman Gordon as to the activities of the past year showed a remarkable expansion, the extent of which was surprising even to members of the committee. For example, 436,000 letterheads were distributed, on which letters and sales bulletins in regard to Accident & Health Week were sent out. This was an increase of more than 100,000 over the previous year. There were 77,000 of the "68" buttons distributed, more than three times as many as in 1936, and over 75,000 booklets, twice the quantity used in 1936.

All this was done with an expenditure of only \$7,383. The total receipts, including the balance of \$301 held over from the previous year, were \$10,084 and the balance on hand Sept. 30 was \$2,701. The number of supporting com-

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Bay State Probers Condemn DeCelles on Many Counts

Denounce Commissioner for Relations with Defunct Commonwealth Mutual

BOSTON.—Commissioner DeCelles, in the report of a special legislative commission which investigated the defunct Commonwealth Mutual Liability is accused of deliberately wrecking the company and plunging it into bankruptcy after he, and others, had made two unsuccessful attempts to get control of the company for themselves; much of his testimony was obviously false, says the report, and the ousting of the commissioner is virtually demanded in a statement that the committee "believes the commissioner has demonstrated his unfitness for the important and responsible position which he holds."

The committee, in the majority report signed by three members, finds Commonwealth Mutual was illegally licensed Dec. 31, 1935 by the commissioner, who should have known that it did not have \$100,000 in cash subscriptions; whose records showed it had outstanding obligations of \$25,000 not allowed by the statutes; and that \$22,000 in checks on a bank where no account was entered were accepted by the commissioner as part of the required cash subscriptions of \$100,000 and held up by him until notified several days later that an account had been opened and then deposited. Also that when the company was first organized it functioned for two months in violation of the law, its officers not having secured bonds.

Finds Abuse of Power

"The committee finds," states the report, "that the commissioner's actions in connection with the Commonwealth Mutual Liability constituted an abuse of power, and unwarranted interference with the management and operation of the company. His conduct before this committee was reprehensible. Practically all the material upon which he based his attack on the various personalities associated with the company or its affiliates was obtained long after he had petitioned the company into re-

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Hide-Bound Attitudes Are Lashed by C. A. Abrahamson

WHITE SULPHUR SPRINGS.—C. A. Abrahamson of Omaha, president National Association of Casualty & Surety Agents, presided over the joint meeting of his organization and the International Association of Casualty & Surety Underwriters. He expressed his very firm belief in the efficacy of joint conferences of the producers and companies. He said that with very few exceptions the producers have not been consulted when changes in rules or forms are made or contemplated.

President Abrahamson declared that business stagnates today because of hide-bound theories, rules and practices and progress is forced rather than promoted. He thinks that executives do not consider as they should the practical problems of selling. No form, he said, is of any great use if it has no appeal to the buying public.

Lloyds Stimulates Progress

Notwithstanding that there is vitriolic criticism against London Lloyds, Mr. Abrahamson said that that institution has been the factor which has brought about much progress. London Lloyds, he said, has been willing to operate on the theory of providing coverage to fit the needs of a given assured and not on the theory that an assured must adapt his business to the rules and standard covers provided by stock companies. He declared that the inflexibility of practices and rules is a millstone around the neck, particularly of bureau carriers. Non-bureau stock companies, mutuals and reciprocals, he asserted, have taken full advantage of this inflexibility.

He opined that with very few exceptions the broadening of coverage has not originated within the bureau. The tendency has been to follow outside competitors. That is, they are allowed to do the exploring. Little attention, he said, has been paid to suggestions of agents. There is too much orthodoxy in insurance.

Why Not Originate?

Mr. Abrahamson said that the American Bankers Association asked for and finally obtained the banker's blanket bond. "Why did not the companies themselves originate this cover," asked Mr. Abrahamson. After innumerable meetings some years afterwards the same principle was applied by the an-

nouncement of the commercial blanket bond. The producers were not called into any of these conferences. The selling forces therefore did not have a voice. Mr. Abrahamson said that any agent could have told the companies to start with that the rate differential between the blanket and schedule forms was out of all proportion. There is a pitiful small volume of blanket business written today, he said. At a meeting in New York City last autumn various agents stated that the reason was that the commission is not high enough to make solicitation attractive. The real reason, he said, is that the difference between blanket and schedule rates is far too great. If decent reductions are made it will inevitably follow that volume will increase.

Pioneered in Personal Property

London Lloyds pioneered in the personal property floater field. Finally an American fire company ventured forth. Then two or three more followed. The casualty companies stood still, he said. They complained that a sizable volume of residence burglary was being lost. They used every possible means to prevent the personal property form from being written. In all this, he said, the buying public was not given the slightest consideration in spite of the fact that no one dares dispute the desirability of the form. The attitude of the companies, he said, is not progressive or constructive.

Mr. Abrahamson predicted that the personal property floater will be written within five years throughout the country, even including New York. He further predicted that some casualty companies will write it as well as the fire.

He called attention to the jeweler's block policy, also originally a London Lloyds cover. It is now written by practically all the marine writing companies. The greater portion of the cover provided by the jeweler's block policy belongs to the casualty companies. Casualty carriers, he said, have held meetings with the marine companies and out of these came the so-called Inland Marine Underwriters Association interpretation of what properly constituted marine insurance. In these conferences, he said, no one brought forth the fact that an insurance company is a public service institution. Instead the

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Dust Hazard and Traffic Safety Get Attention

Two Subjects Loom at Meeting of National Safety Congress

KANSAS CITY—More than 5,000 registered for the National Safety Congress and Exposition here. The problem of reducing accidents, minimizing industrial diseases, and establishing control over what is probably the biggest economic undertow in America today, was discussed from every angle. A few of the groupings indicate this: commercial vehicle, industrial dusts, pressure vessels, street and highway traffic, cement and quarry, construction, marine, home safety, fire prevention, etc.

The dust hazard in industry came in for a considerable share of attention.

Wood dust is the chief danger in all phases of the wood products industry, asserted J. G. Sissman, director of research for the Surtz Manufacturing Co., Chicago. It is a hazard to property, health and profits, and the solution lies in more and better ventilation engineering for all manufacturing plants.

Respiratory Diseases

"Many respiratory diseases," he said, "have been traced to the minute particles of wood, synthetic materials and abrasives breathed into the lungs. Toxic properties of certain tropical woods also are recognized now as a health hazard. Broom and shovel methods of dust removal sufficed in the early days, when dust was regarded simply as a nuisance. It now is almost universally recognized as a danger to health as well as a fire and explosion hazard. More carefully applied ventilation methods is helping to overcome the danger. Equipment is more efficient, even though much remains to be done in this field."

While Mr. Sissman was analyzing the dangers of wood dust for the wood products section of the Congress, Dr. H. J. Spector, St. Louis, was telling members of the industrial nursing section that organic dusts do not produce disabling diseases of the lungs. Pointing out that tuberculosis is a germ disease, Dr. Spector, assistant health commis-

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OFFICIALS PRESENT AT WHITE SULPHUR CONVENTION



J. M. HAINES, New York City
President Company Association



C. A. ABRAHAMSON, Omaha
President Agents Association



F. ROBERTSON JONES, New York City
Secretary Company Association



CHARLES H. BURRAS, Chicago
Secretary Agency Association

Michigan O. D. Rate Schedule Approved by Commissioner

All Classifications in Existing Compensation Manual Affected, Old Policies Must Be Endorsed

LANSING, MICH.—Occupational disease rate schedules under the new 1937 act, effective Oct. 29, have been accepted by Commissioner Gauss and the new rates and rule sheets are being distributed to agents. The insertions in the Michigan compensation manual covering the new occupational disease hazards are not ready as yet, agents being instructed to use the temporary mimeographed sheets for the present in computing rates for their insureds.

All classifications in the existing workmen's compensation manual are affected by the new rates and rules. Employing concerns which have elected to come under the act must have their policies endorsed specifically to interpret the policy as not affording insurance against common law liability with respect to occupational disease and obligating the carrier to indemnify against loss from occupational diseases scheduled in the Michigan act subject to specific limitations.

Provides Standard Limits

Under the rules the basic charge for coverage provides for standard limits of \$5,000 for a single case to \$25,000 for all cases covered by the policy terms, not exceeding a year. The rules provide that no sub-standard policies shall be issued. For higher limits, however, as required, a specific table is provided.

All classifications contain an element to cover general occupational disease hazards, the amount being 1 cent for classifications carrying a manual rate of 50 cents or less and 2 cents for classifications with a manual rate of 51 cents or more. If the policy is endorsed for this type of coverage a separate occupational disease rate is applied to the entire payroll for each classification. Those classifications which embody special hazards because of materials used or processes or conditions involved carry a specific "O. D." element based on experience in other states for such hazards. Should the special hazards, because of special conditions, not be present in a particular risk coming under a given classification, this special loading may be eliminated if the state compensation rating bureau approves after due investigation. Those classifications from which the special "O. D." element may be removed under certain conditions are specially designated in the rating table. No partial removals of the element, however, will be permissible.

Subject to Supplemental Loading

In addition to the special elements, risks considered substantially worse than the average for their classifications, either on an experience basis or by reason of physical operating conditions, are subject to a supplemental "O. D." loading. Addition of such supplemental loadings must be approved by the rating bureau and applied for by the carrier, the bureau, or the insured. Provision for hearings is made in all such cases, final decision being reserved to the state rating bureau.

The rule sheets contain specific instructions regarding the elimination of special loadings when specific risks do not carry the special risks for which the loading of the classification was designed. A special table of supplementary rates is provided for risks involving the abrasive or sand blasting hazard, the additional premiums for which range from 83 cents to \$2.78. All employees exposed to the hazards must be included whether or not they are engaged in the operations on a full-time or part-time basis.

Some 550 classifications are included. The rates designated are all additional

Countryman



C. G. HALLOWELL

This excellent picture of C. G. Hallowell was made by S. F. Withe, manager publicity department Aetna Casualty. It shows Mr. Hallowell, leaning on the "Yale fence" at the farm he recently purchased, remodeling an old colonial house in West Granby, just outside of Hartford. Mr. Hallowell is secretary of Aetna Casualty and was recently placed in charge of its agency affairs succeeding W. L. Mooney, who has retired.

to the industrial accident rates now prevailing under the old law. Classifications subject to especially high rates, as compared with risks involving no special "O. D." hazard, and the rates to be added to the present compensation rate, are:

Mining (not coal) 93 cents; surface mining (not coal) 66 cents; coal briquets, \$1.20; rock excavation, 72 cents; silica grinding, \$2.80; stone cutting, \$2.38; asbestos goods manufacturing, \$1.50; abrasive paper or cloth manufacturing, 72 cents; hatters' fur manufacturing, 17 cents; iron foundry, \$1; steel casting, \$1; foundry (aluminum and brass), \$1; plumbing supplies manufacture, 24 cents; pipe manufacturing, 24 cents; cutlery manufacture, 24 cents; radiator manufacture, 34 cents; lead pipe manufacture, 85 cents; type foundry, 51 cents; battery manufacture, \$1.09; roof (paper or felt) manufacture, 72 cents; lead manufacture, \$1.91; cleaning or renovating exterior of buildings, \$1.26; rock excavation on roads, 72 cents; tunneling, 93 cents; shaft sinking, 93 cents; pneumatic caisson, 24 cents; taxidermy, 10 cents; paint manufacture, 33 cents; fertilizer manufacture, 20 cents.

Will Review Lincoln Auto Rates

LINCOLN, NEB.—The Lincoln Association of Fire & Casualty Underwriters reports progress in its fight to secure lower automobile liability rates for Lincoln, which were recently raised materially. A number of company officials have written in support of their position, and the National Bureau of Casualty & Surety Underwriters has agreed to make another inquiry into the situation.

The local association has submitted figures showing that bureau action was taken on incomplete data, covering only experience with 1,000 policies, whereas if the experience of the mutuals and assessment companies were taken into the calculation no justification for an increase would be found.

New York's Central Bureau Plan Studied by Chicago

Consider Successful Plan of Collecting Premiums from Brokers with Insurance Department

NEW YORK—Fire and casualty agents of Chicago have recently displayed an interest in the operations of the Central Bureau of this city, apparently with a view to creating a similar organization in their city. In view of the success the Central Bureau has had in checking the free insurance evil and, in collecting earned overdue premiums for both fire and casualty member companies, it is surprising that the plan has not sooner been followed not alone in Chicago, but in other insurance centers of the country. From time to time agency bodies in New Jersey, Pennsylvania, and even in Canada, have sought information from the management of the Central Bureau as to its methods and the measure of success attending them, but thus far none has actively launched a similar body. That a number will eventually do so, however, is a fair prediction.

Works with Department

Formed in 1927 primarily to conserve the interests of the fire companies, the Central Bureau some time thereafter extended its service to collecting overdue earned premiums for casualty writing companies as well, a practice since continued, and with eminent satisfaction. Launched in 1927 at the suggestion of J. A. Beha, then superintendent of insurance, the Central Bureau works in close cooperation with the department, its manager reporting to the latter the names of brokers after repeated requests failing to account for earned premiums on policies ordered by them. Armed with this information the department calls on the delinquent broker for explanation. If this is not satisfactory his license is cancelled. The effectiveness of the Central Bureau plan is due to a great measure to the backing of the department. If the Chicago agents decide to form a similar organization, the cooperation of the Illinois department would be essential if the program is to be a success.

Hold Michigan Claim Meeting

The first of a series of monthly meetings of the Michigan claim department of the American States was called by W. E. Niven, vice-president and Michigan manager, in Lansing. The purpose is to facilitate the handling of claims by centralization through the Lansing and Detroit branches, to give the adjusters an opportunity for general claim discussion, and to discuss ways of assisting the agent with the automobile finance program.

In attendance were J. W. Garvy, recently appointed home office supervisor of Michigan claims; T. K. Joy, Michigan branch claim manager; R. H. Seacat, Detroit branch claim manager; E. W. Whitney, A. R. Bryson, Lorin Thompson and W. H. Connor, branch office managers, and H. L. Rich, representative of the Automobile Investment Corporation in Michigan.

Mr. Niven reported that a number of agencies had materially increased their premium volume through use of the finance plan.

Bars "Detective Protection"

The Interstate Protective Association of Cleveland has been ordered by the Ohio department to discontinue selling a combined "detective protection" service and accident insurance. It is understood that the company in which the coverage is written will oppose the insurance department's order. The Ohio Association of Insurance Agents filed the protest.

Treasury Department Gets Out New List of Qualifiers

The new semi-annual exhibit of qualifying powers of surety companies in respect of bonds running to the federal government has been issued by the United States treasury department.

*Accident & Casualty	250,000
Aetna Casualty	1,858,000
American Bonding	164,000
American Employers	414,000
American General	101,000
American Indemnity	184,000
American Motorists	180,000
American Reinsurance	685,000
American Surety	1,370,000
Associated Indemnity	149,000
Bankers Indemnity	192,000
Central Surety	220,000
Century Indemnity	306,000
Columbia Casualty	379,000
Commercial Casualty	262,000
Commercial Standard	60,000
Continental Casualty	593,000
Eagle Indemnity	284,000
Employers Casualty	65,000
*Employers Liability	1,058,000
Employers Reinsurance	491,000
Eureka Casualty	86,000
*European General Re.	400,000
Excess	126,000
Fidelity & Casualty	1,574,000
Fidelity & Deposit	871,000
Fireman's Fund Indemnity	362,000
General Casualty	165,000
General Re.	788,000
Glens Falls Indemnity	399,000
Globe Indemnity	750,000
Great American Indemnity	429,000
*Guarantee of North America	169,000
Hartford Accident	1,700,000
Home Indemnity	292,000
Indemnity of N. A.	628,000
Inland Bonding	50,000
International Fidelity	184,000
Kansas Bankers Surety	56,000
*London Guarantee	492,000
London & Lancashire Indemnity	187,000
Maryland Casualty	840,000
Massachusetts Bonding	488,000
Melbank Surety	1,190,000
Merchants Indemnity	155,000
Metropolitan Casualty	348,000
National Automobile	58,000
National Casualty	150,000
National Surety	912,000
New Amsterdam Casualty	822,000
New York Casualty	193,000
Northwest Casualty	72,000
*Ocean Accident	474,000
Occidental Indemnity	209,000
Ohio Casualty	135,000
Pacific Indemnity	447,000
Peerless Casualty	108,000
Preferred Accident	392,000
Royal Indemnity	852,000
St. Paul Mercury	293,000
Seaboard Surety	266,000
Standard Accident	429,000
Standard Surety	229,000
Sun Indemnity	234,000
Texas Indemnity	32,000
Trinity Universal	184,000
U. S. Casualty	318,000
U. S. F. & G.	1,000,000
U. S. Guarantee	804,000
United Pacific	98,000
Virginia Surety	25,000
Western Casualty	121,000
Western Surety	75,000
Yorkshire Indemnity	166,000

*Authorized to do a reinsurance business only.

Start State-Wide Probe of Massachusetts Claim Frauds

BOSTON—Indications that an organized gang of alleged crooked lawyers, accident investigators, insurance adjusters and doctors has been operating in and about Worcester county, was seen in sensational charges as to the reason for increased compulsory automobile liability insurance rates in small towns about Worcester, brought to the attention of Commissioner DeCelles.

In Auburn, a town of little over 3,000, it was found \$175,000 in small claims—nuisance claims—had been paid in the past five years on accidents reported to have occurred there. A large proportion of the amount had never reached the persons named, it is alleged. Auburn's automobile insurance rate jumped 50 percent this year.

Developments have been such that Commissioner DeCelles has ordered a state wide probe, with a view to securing evidence for grand jury action, and has assigned special investigators from the department to gather evidence.

Earl Redmond, formerly of Missouri, has purchased a half interest in the George Donahue agency Klamath Falls, Ore.

REINSURANCE

OFFICIALLY RECOGNIZED
REINSURANCE IS AN
UNDERWRITING AD-
VANTAGE

WE ARE QUALIFIED
IN ALL STATES AND
IN THE DOMINION
OF CANADA

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES
SAN FRANCISCO

EMPLOYERS
REINSURANCE
CORPORATION

E. G. TRIMBLE, President

HOWARD FLAGG, Executive Vice President

U. S. Joins Safety Drive

H. H. Kelly Describes Work of Federal Motor Carrier Bureau and Praises Insurance Interests for Their Cooperation

Publication of safety regulations for interstate trucks and buses makes the first entry of the U. S. government into the field of highway safety, declared H. H. Kelly, chief of the section of safety, bureau of motor carriers, Interstate Commerce Commission, Washington, in his address before the annual meeting of the National Association of Insurance Agents in Dallas. Mr. Kelly's talk preceded the open forum on accomplishments in traffic safety work.

The I. C. C. regulations, under the authority of the motor carrier act of 1935, became effective July 1. There are four sets of rules, covering qualifications of drivers, driving rules, equipment of vehicles and reporting of accidents. Applying to all interstate trucks and buses, they reach, Mr. Kelly estimated, about 50,000 operators and between 200,000 and 300,000 vehicles. The rules include such items as clearance lamps and reflectors on all sides of the vehicle, carrying of flares and fuses, working hours of drivers, prohibition of hitch-hiking, and immediate reporting of accidents. They have been reported in many insurance and other trade publications and a number of insurance companies have printed and distributed them.

Prosecution and Loss of Licenses Are Sanctions

To enforce these regulations, the government has a double-edged sword. The offender may be tried in a federal court for violation of the statute, or his license may be revoked after a hearing before the I. C. C. Seventeen states have adopted the I. C. C. regulations in full since Jan. 1 and 10 more have adopted them in part, thus putting violators in these states in equal danger of state prosecution. The remaining states, Mr. Kelly declared, recognized a vehicle carrying an I. C. C. tag as meeting all highway requirements.

District directors and supervisors are constantly on the road watching for violations. Because the regulations have been in force for such a short period, no cases have yet been instituted, but Mr. Kelly stated that preliminary reports indicate that results are already being achieved. Trucks and buses are also subject to inspection at terminals and Mr. Kelly predicted that the day may come when gasoline stations, by cooperative action, will also be safety inspection spots.

Praises Cooperation of Insurance Companies

Insurance companies and agents, declared Mr. Kelly, who are giving safety service to their risks are building their business on the soundest foundation. They have cooperated with the Interstate Commerce Commission and he promised that the commission will cooperate with them. The I. C. C.'s program, he maintained, is not disciplinary but preventive.

While highway safety is unquestionably a muddled problem, Mr. Kelly concluded, it can be solved. The most encouraging factor is that the I. C. C. is dealing, first, with an established industry, which has to be reasonably safe to stay in business and, second, with drivers who have to be fairly safe to keep their job.

SAFETY LUNCHEON

A safety conference was held during a luncheon in Dallas, under the guidance of D. A. North, New Haven, Conn., at which various aspects of the agents' part in safety work were discussed. H. H. Kelly was introduced and A. E. Mellinger, insurance contact man for the safety division of the I. C. C. motor carrier bureau, asked the agents to sell safety, declaring that they can reach in-

dividual motor carriers more effectively than any one else.

Representatives from states which do not have drivers' license laws were asked to report what progress, if any, had been made. Mr. North asked each state association to assign a place for the accident prevention committee at its conventions. He also suggested that the safety committee chairman of each state association be sent to safety congresses within reasonable distances. The point was made that insurance representation at these congresses is now confined almost entirely to compensation engineers and other technical men and that the producing end of the business should be represented.

In the discussion which followed, uniform traffic signals, enforcement of laws, and the value of organized safety work in selling state and local associations to non-members were brought out. The success of several traffic plans in Dallas was mentioned and the agents were urged to suggest similar ideas for their own cities.

Consider Clearing Bureau

LOS ANGELES.—Members of the grand jury and Los Angeles representatives of more than 20 insurance companies attended a meeting at which the formation of a clearing bureau for accident claims against insurance companies to thwart the filing of false damage demands was discussed. Approval was expressed by the insurance men of a plan to set up an index of all claims, the cost to be met by the companies. The meeting was called by Leonard Roach, chairman of the grand jury's criminal complaints committee. District Attorney Fitts promised cooperation.

Aviation Course in N. Y.

NEW YORK.—The initial lecture in the aviation insurance course arranged by the Insurance Society of New York will be given Nov. 12, and be followed at weekly intervals—except during the holidays—until Feb. 18. The committee responsible for the program consists of W. L. (Jack) Nelson, United States Aviation Underwriters, chairman; R. B. Cameron, Associated Aviation Underwriters, and C. A. Sanford, Aero Insurance Underwriters.

May Join the Insurer

OKLAHOMA CITY.—A joint action may be maintained against a motor carrier and its liability insurance carrier under section 4, chapter 156 of the act of April 12, 1933, and cause of action against them may be divided and the liability of each set in different counts, according to the ruling of the Oklahoma supreme court. American Fidelity & Casualty was the insurer and E. B. Clanton and B. H. Clanton, a partnership doing business as Southwestern Motor Carriers were the assured. Blanche Bennett was the plaintiff.

Bureau Can't Act in Court

LINCOLN, NEB.—The attorney general holds that the Bureau of Adjustments of Lincoln may not institute actions at law on claims handled by it, where it is represented by its own officers or agents, without violating the rule defining the illegal practice of law. While an individual may represent himself in court without the aid of an attorney, a corporation can act only through its officers and agents and these must be lawyers to do so lawfully.

The General Casualty of Paris has ceased business in British Columbia.

How Much Whisky Does It Take to Befog Driver?

Three ounces of whisky, or a little less than two jiggers, is sufficient to fog the brain and render a driver unsafe, said Dr. R. N. Harger, University of Indiana, at the National Safety Congress in Kansas City. "Most individuals," he said, "will show definite symptoms of intoxication with about six ounces of whisky circulating in the body. However, lower concentrations of body alcohol, even down to one-half this figure, are sufficient to render most people unsafe automobile drivers, since this amount greatly increases reaction time, or time required for muscles to obey the brain."

Boiler, Machinery Engineers Visit Westinghouse Plant

NEW YORK—Engineers and inspectors of the steam boiler and machinery writing companies holding membership in the National Bureau of Casualty & Surety Underwriters, will have their knowledge of turbine units sharpened as a result of an intended visit to the Lester plant of the Westinghouse Electric & Manufacturing Co. in Philadelphia, where the fine points of the latest turbines will be explained by experts. Each year classes for the benefit of the engineers and inspectors are held under the general direction of J. P. H. deWendt, manager boiler and machinery department of the National Bureau. The 1937 class will start Nov. 1. Last year turbines and generators were studied at the Schenectady plant of the General Electric and in 1935 a tour was made of the properties of the Allis & Chalmers Corporation.

While the large percentage of inspectors now employed by casualty companies in their boiler and machinery divisions are graduates of technical institutions, some gained their knowledge as engineers on ocean liners, coming up through the ranks and hence getting a thoroughly practical training.

Equity Rating Eliminated

In the automobile rate filing of the National Bureau of Casualty & Surety Underwriters under the new rate control law of Illinois, equity rating of fleets is eliminated. In its stead the filing is made of a "special treatment" plan. This differs from equity rating in that the company is not permitted to reduce the commission of the producer as a means of effecting a lower rate. There must be some underwriting consideration to entitle risk to come under the special treatment plan and the proposition must be passed upon by the bureau.

Connecticut Case Reversed

In the Sept. 23 edition a feature that had appeared in the "Marylander," publication of the Maryland Casualty, was printed, consisting of a digest of interesting court decisions. One of these was: "An automobile owner was injured while riding in the back seat of his own car, being driven with his permission and consent by another person. The owner sued the operator for negligence and got judgment. The court held he was entitled to collect the amount of judgment from his own insurance carrier.—Connecticut."

This was in substance the holding of the Connecticut lower court in June of 1935. It was the case of Cain vs. American Policyholders. Subsequently, however, on Jan. 8, 1936, the supreme court of errors of Connecticut remanded this cause with direction to enter judgment for the defendant, the insurance company, the citation being 193 Atlantic Reporter 403.

Medical Expense Guarantee from Drivers Is Urged

C. Elmer White of Oakland, Cal., in a talk on "Automobile Accidents—a Growing Problem," at the convention of the National Association of Insurance Agents in Dallas, said he has concluded that the economic burdens from automobile accidents have to be borne by society in general. It has become a duty for society to care for those of its casualties which are caused by a condition that has grown from which society has offered no relief.

"If fault must be involved," he asked, "is it not time to at least divorce the physical side, as a start, provide medical and hospital relief, leaving the additional factors of permanent disability and damage, etc., open to the present doctrine of liability based on fault or negligence?"

Find Way Best Suited to Public Welfare

A way best suited to the public welfare must be found, he declared, disregarding entirely many of the time worn traditions.

He advocated that consideration be given to a driver's license bond for the establishment of financial responsibility, separate and distinct from insurance. Applicants for a driver's license would be required to file a bond, guaranteeing the payment of medical and hospital expenses to a limit prescribed by law. This would enable the present system of voluntary insurance to remain undisturbed and probably stimulate it. The bonding companies could accept an insurance policy as a guarantee for collateral under the bond.

Would Open Way for Financial Penalty

It would open the way for a financial penalty for negligence, inasmuch as the bonding company could recover from those who had no insurance.

Even if compulsory insurance is measurably satisfactory in foreign countries, he said, it does not follow that the same system would be desirable here, because in Europe those laws are national, whereas in this country, with state laws, impossible conflicts would be created.

Continued disregard on the part of the state of the need for uniformity may lead to intervention by the federal government, he suggested. A step in that direction has been taken in the federal motor carrier act, he declared. He referred to a bill recently introduced in Congress by Senator Truman of Mississippi which would deny to operators of motor vehicles in states without license laws, the right to move in interstate commerce.

Education of Youth Best Safety Hope

Mr. White contended that the best hope for effective safety work lies in education of youth. The younger generation must be given a full understanding of the traffic accident problem. They must be taught good motor manners, respect for the laws, taught to expect strong and absolutely impartial enforcement.

The driving and law phases of the problem should constitute a major subject in high schools and a prerequisite to graduation. Much has been accomplished along this line in Oakland, he said. The young people, he declared, are intensely interested and give a good response.

The National association, he said, should take a major part in the work particularly in juvenile education on safe driving and insurance and public education on the insurance and economic side of compulsory laws.



WHAT ONCE TOOK YEARS

Writing in The Forum, Jean Ricochet Boyd says:

"I know a man who, when he came to take an examination for an important scholarship in languages, suddenly found that he had to take an examination in German; and he did not know a word of German. He locked himself in a room with a pot of coffee, a German grammar, a dictionary, and an elementary reader. In 24 hours he plowed through the grammar, learned a vocabulary, read the book, and covered what a high school kid covers in one mortal year."

In the dictionary this man had the parts, in the grammar he had instructions on how to put them together, and in the reader he had some

"projects" to work on. And within himself he had the ability to study.

In much the same way men can and do learn the insurance business, in surprisingly short order.

Since The Travelers opened its school at Hartford to prospective agents 399 men, most of them recent college graduates, have come to the Home Office to take intensive courses in Life, Accident and Group insurance.

They have found the material assembled and organized for them and each has put in four weeks of hard work. During regular office hours they have listened to lectures, recited and done "laboratory" work. Evenings they have

studied. There were good instructors. No distractions.

Their comprehensive examinations at the close of the course showed what a vast amount of information the human mind can assimilate in a fairly brief period.

Their records as agents since their return to their homes demonstrates the truth of the old statement that knowledge is power.

★

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut.

A.S.

DOUBLE FEATURE ATTRACTION



AMERICAN STATE

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for
NEW 1938
Car Buyers

FINANCE THEM INSURE THEM

Three hundred and thirty-eight American States agents in Indiana, Michigan, Ohio and Illinois already have loaned out approximately \$1,000,000.00 through our practical, low-cost automobile finance plan . . . On these deals they wrote over \$100,000.00 worth of insurance, most of which would have been lost had the automobiles been financed through ordinary finance channels . . . You, too, can finance new cars yourself through our

Automobile Investment Corporation . . . Cash in on the additional insurance you write and further the respect and friendship of your policyholders.

Your inquiries will be given our immediate attention. Why not write us today!

ES

INSURANCE COMPANY
INDIANAPOLIS, INDIANA



SEALED PROTECTION

Sturdy, tightly sealed against leaks is the suit that protects this helmeted explorer of the ocean's depths!

In business, robbery is an unexpected "leak" that can wash away profits, bring distress to employees and their families and, in some cases, close down establishments.

Against this hazard, business continuously needs sealed protection that is provided in the insurance policy of a sound and experienced stock company.

The job of agents and brokers is to see to it that no business is exposed, without coverage, to the fatal leak of robbery.

American Surety
COMPANY
New York Casualty
COMPANY

HOME OFFICES: 100 BROADWAY, NEW YORK

41 Branch Offices throughout the country

Both Companies write Paymaster, Messenger and Interior Robbery and various other policies that indemnify against loss through burglary or robbery

Settlement of Old National Surety Case Is Approved

Payment of \$1,350,000 to Be Made by Former Officers and Directors of Old Company

NEW YORK—Approval has been given by Supreme Court Justice McCook to the offer by former officers and directors of the old National Surety of \$1,350,000 in full settlement of the claims against them by stockholders and other creditors of the institution, which was placed in the hands of the insurance department for liquidation June 1, 1934.

In his opinion Justice McCook said in part: "In March, 1935, the superintendent of insurance recommended that no action be commenced against the officers and directors," adding "that after hearings the court relieved the superintendent of insurance of the duty of instituting any action and designated four individuals to represent the largest group," since which time many hearings were held. "Examinations before trial, searching investigation by accountants and others supplied all parties at interest with information which is undoubtedly sufficient to acquaint them with the value of the claims set forth in the complaint. Through efforts of the plaintiffs the sum of \$1,350,000 is now on hand and is offered in settlement. Were this offer disapproved, protracted and probably fruitless litigation would result, since some of the claims may be met by the defense of the statute of limitations, and others are not easily, if at all, susceptible of proof."

The then National Surety, which was formed following the collapse of the old National Surety, has \$2,500,000 capital, and at the first of this year showed assets of nearly \$20,000,000 and a net surplus in excess of \$6,000,000.

Missouri Bar Rules Sustained

ST. LOUIS.—The action of the United States Supreme Court in refusing to review the ruling of the Missouri supreme court in a case involving the alleged illegal practice of law on the part of C. S. Dudley & Co., a local collection agency, is expected to prove a legal yardstick in measuring the final effect of the rules of law practice that have been laid down by the Bar Association committees of Missouri and strengthen the efforts of the legal fraternity to restrict the work of laymen in fields of activity which the lawyers claim rightfully belong to them. The agency had appealed to the United States Supreme Court on the grounds that the rules laid down by the Bar Association committees and accepted by the Missouri supreme court gave the attorneys an unconstitutional monopoly on such work. The way is now paved for the Missouri supreme court to enforce its sweeping rules against laymen.

Selbach & Deans Get Columbia

SAN FRANCISCO.—Selbach & Deans has been appointed to represent the Columbia Casualty for the San Francisco Bay area.

Announcement is also made of addition of the second generation of Selbach & Deans to the personnel of the firm. W. T. Selbach, son of B. O. Selbach, who has been with the metropolitan department of the Hartford Fire at San Francisco for the past five years, has been appointed special agent for the metropolitan department of the general agency with supervision of the casualty, fire and marine departments. W. B. Deans, son of William Deans, is to become assistant to Special Agent E. W. Dunn in southern California. Young Deans has been at the home office of the American of Newark for the past two years.

Read "Surety Bonds" by Lunt. \$3.50. Order from National Underwriter.

Employers Re Gives Dinner to Safety Congress Men

KANSAS CITY.—Over 70 insurance companies were represented at the dinner given by the Employers Reinsurance for about 165 insurance men and delegates to the National Safety Congress. There were no planned speeches. W. H. Cameron, managing director National Safety Council, and F. C. Lynch, director of the Kansas City council, were guests.

E. G. Trimble, president of the Employers, was one of the original organizers of the National Safety Council. There were 16 on the original committee which met in Detroit in 1912 to organize the Council, and Mr. Trimble is one of the six still living.

The dinner was given primarily for the engineering department of the Employers. Four men in the organization are members of the American Society of Safety Engineers: J. W. Smith, vice-president; Col. W. W. Williams, treasurer Kansas City Safety Council; Charles Macdonald, in charge of engineering at the Chicago office, and F. G. Cosgrove, manager of both the engineering and excess departments. The other two members of the engineering department are R. C. Collins of the New York Office, and J. Scott Harrison, Jr., in charge of engineering at the Kansas City office.

President Trimble opened the informal dinner and then passed the gavel to Mr. Cosgrove.

Automobile Rate Competition

(CONTINUED FROM PAGE 17)

cut by the stock companies, the mutuals would meet them and the ratio would remain the same. What is needed, said Mr. Fetzer, is a smarter sense of merchandising on the part of insurance companies and cooperation with the producers in a public relations campaign. Advertising is one solution, he said.

C. H. Burras of Chicago, secretary-treasurer of the agents association, said that 20 years ago an effort was made to bring about a meeting of committees representing the producers and the companies without results. He stated his intention to offer a resolution for intense cooperation of the various producers' organizations to meet with company representatives and determine a workable method of meeting mutual competition. In this connection, T. Garnett Tabb of Richmond suggested that in such meetings one subject be dealt with exclusively.

C. F. J. Harrington of Boston described the situation of Massachusetts producers who are operating on a 12 percent commission. He said that while a 10 percent reduction was made in the cost of liability insurance, 9 percent of it was taken from the producers and 1 percent from the companies.

At the close of the meeting President Abrahamson appointed a resolutions committee consisting of W. D. O'Gorman of Newark, chairman; Wade Fetzer, Chicago and C. F. J. Harrington of Boston.

Milwaukee Officers Named

At the annual meeting of the Milwaukee Accident & Health Association, E. H. (Count) Mueller, Pacific Mutual Life, was reelected president. John D. Rogers, Continental Casualty, is now vice-president and L. E. Packard, Loyal Protective, secretary.

Chicago Association's Program

At the meeting of the Chicago Accident & Health Association at the Great Northern hotel, Oct. 19, Bryan B. Blalock will speak on "Ten Requisites for Success in Selling Accident and Health Insurance." A strong schedule of speakers for later meetings has been arranged.



*"—but I meant
to put it back"*

MOST women who "borrow" from their employers refuse to call it *stealing*. Yet when they find themselves unable to repay, they abscond or take more. These facts were brought out by a recent analysis of the cases of 400 women embezzlers. The analysis also shows that, for the most part, women who embezzle are not actuated by selfish motives, but steal to help relatives or friends.

Most significant fact of all is this: Practically all of these 400 women were essentially honest, well worthy of the trust placed in them, up to the point where they surrendered to emotion or circumstance and began "dipping into the till."

Employers must realize that they cannot trust their own judgment of character to protect them against loss—far too much is at stake. Each year employe dishonesty takes more than \$200,000,000

from business—actually causing more loss than fire.

Widening Your Market for "Fidelity"

Advertisements similar to this one, in *Time* and other publications, are telling business at large about the hazards of embezzlement, about our new book, "400 Women Embezzlers," and about the new, simplified Fidelity Bond forms of the U. S. F. & G.

Don't let any employer among your clients suffer a loss through embezzlement—and then wake up to discover that *you could have protected him*. Take advantage of the public interest aroused by our magazine advertising. Use the "400 Women Embezzlers" book and the new, simplified forms to help you write new Mercantile Fidelity business. There are plenty of opportunities to sell *Fidelity* among the employers in your own client and prospect files.



Consult your Agent or Broker as you would your Doctor or Lawyer

UNITED STATES FIDELITY AND GUARANTY COMPANY

WITH WHICH IS AFFILIATED
Fidelity & Guaranty Fire Corporation
HOME OFFICES: BALTIMORE

CHANGES IN CASUALTY FIELD

Converts to Branch Basis

General Accident Places Edwin Gissing of Springfield, Mass., in Charge of Detroit Office

DETROIT—General Accident announces the establishment of a Michigan branch office in the General building, 469 Ledyard street, under the management of Edwin Gissing, succeeding the general agency of the Kenneth Watkins Corporation, which will be dissolved due to the death of Mr. Watkins.

Effort will be made to keep intact the entire organization of the Kenneth Watkins Corporation. Hal M. Irwin has been appointed assistant branch manager; B. A. Goode, superintendent automobile department; C. S. P. Williams and Forrest A. Heath will continue to serve as special field representatives.

Mr. Gissing is well-equipped in the casualty business, having had a diversi-

fied experience in both the field and home office, where he has held positions of responsibility.

Mr. Gissing, who for the last three years has been branch manager in Springfield, Mass., of General Accident, was given a complimentary dinner in the Springfield Country Club. He was presented a wrist watch, a traveling case and pen and pencil case by members of his staff, associates and agents. He had organized the local branch and had made many friends there.

Ocean Accident Setup in Wisconsin Enlarged

MILWAUKEE.—The Ocean Accident and Columbia Casualty have moved their Milwaukee offices to the second floor of the Mitchell building, 207 East Michigan street. The new quarters are considerably larger than those occupied heretofore. A competent and adequate staff is located in the new office and will be in charge of all service and pro-

duction activities for the entire state. The new Milwaukee setup contemplates a close cooperation with the central department of these companies at Chicago through which they will report.

Craft W. Voneiff, who has had wide experience in the state, will be in charge of underwriting and production as regional supervisor. Arnold C. Neilson will be superintendent of claims. Adolph W. Maddox will be in charge of the engineering and inspection departments. The office had its opening Oct. 11.

Wilson Chicago Manager of Associated Indemnity

M. W. Wilson has been appointed resident vice-president in charge of the Chicago office of Associated Indemnity and Associated F. & M. Heretofore he has been manager at Dallas. He is succeeded there by Stoddard Smith, heretofore assistant manager. Mr. Wilson and Vice-president L. H. Mueller of the companies visited Chicago to look over the scene.

Mr. Wilson has been associated with the companies for 12 years and has been highly successful in his management in the southwestern department. He will

use the present office in the Insurance Exchange Building as a nucleus for the mid-west department set-up.

C. W. Fellows, president, states that this move is to round out a system of branch home offices. This, with the recent establishment of a similar branch in New York, following the advantages derived from those at Los Angeles and Dallas, and with Washington and Oregon now under a single management, is, according to President Fellows, intended to relieve the home office of much detail and bring the companies in closer contact with the agency force.

Dimling Opens Own Office

LOS ANGELES.—Henry Dimling has opened an independent adjusting office in the Commercial Exchange building to handle casualty and automobile adjustments for companies.

Mr. Dimling went to the coast in 1924, as supervising engineer for the U. S. F. & G., with headquarters in San Francisco, later being transferred to Los Angeles as superintendent in 1925. In 1926, he was appointed manager, casualty department, New York Indemnity.

When the New York Indemnity was merged with the old Union Indemnity, he was appointed assistant manager at Los Angeles. In 1935, the Commercial Standard employed him in its production department, Los Angeles branch.

Plotke Now A. & H. Manager

Frank T. Plotke has joined the Chicago office of Commercial Casualty and Metropolitan Casualty as accident and health department manager. Mr. Plotke resigned recently after serving for 10 years as Chicago manager for American Casualty of Reading, Pa. Before that he was connected with Commercial Casualty in Chicago.

Warren Cook with Zurich

Warren A. Cook, who was formerly state industrial hygienist in Connecticut and who later was connected with the American Mutual Alliance as its hygienist, has resigned to become head of the engineering department of the Zurich General Accident at its head office in Chicago. He succeeds J. C. Bradley, who will hereafter devote all his time to special risks.

Mr. Cook joined the Mutual Alliance a month or so ago. For the past 10 years he had served as chief industrial hygienist of the bureau of occupational diseases of the Connecticut department of health. He was chairman of the committee on silicosis prevention through engineering control which was an instrumentality of the National silicosis conference. He is chairman of the committee on standard methods of air analysis of the American Public Health Association. After graduating from Dartmouth in 1923 he studied chemistry at Yale. For several years he was in the engineering and inspection division of the Travelers.

Montgomery to Denver

R. E. Montgomery, assistant claims attorney in Des Moines for the Fidelity & Casualty, has been transferred to Denver as claims attorney in Colorado, Wyoming and New Mexico.

Opens New Cincinnati Office

A sales and engineering office has been opened in Cincinnati by the Liberty Mutual, supplementing the claim office opened there several months ago. W. Mergott, formerly of Newark, is in charge of sales activities and Clarence Lee, formerly at Knoxville, Tenn., is in charge of claims. The office will supervise considerable territory in southern Ohio, Indiana and northern Kentucky.

Wilson Opens Quarters

Joseph Wilson, recently appointed manager of the new Indianapolis office

1890  1937

**FIDELITY AND
DEPOSIT COMPANY
OF MARYLAND
BALTIMORE**

**FIDELITY AND SURETY BONDS
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE**

of the Massachusetts Bonding, has opened quarters in suite 308, Circle Tower building. C. M. Thompson will be underwriter of the office for all lines. Mr. Thompson has had several years experience in each of the Indianapolis offices of the Standard Accident and the Employers' Liability. Miss Catherine M. Evelo, for a number of years bookkeeper in the state insurance department office, will be cashier.

Liberty Mutual Moves

The middle west district office of Liberty Mutual and United Mutual Fire has moved to larger quarters in the Civic Opera building, Chicago. W. H. Seymour is resident vice-president.

Artzt Joins Hartford

Alex Artzt has been appointed special agent in the fidelity and surety department of the Hartford Accident, Philadelphia, succeeding Britton W. Palmer who has resigned to enter the agency business. Mr. Artzt was formerly connected with the Dallas office of the Fidelity & Casualty. Prior to going to Texas he was located at Harrisburg and Pittsburgh.

Tenney Is Yakima Manager

Robert E. Tenney, formerly at the head office in Seattle, has been named as manager of the new office of the United Pacific Casualty recently established at Yakima, Wash.

Loux to Dayton

Earl G. Loux, for nine years Travelers casualty field assistant at the St. Paul branch, has been named assistant manager of its Dayton, O., casualty office. He succeeds L. G. Davis, who has been transferred to St. Louis as assistant manager.

The Fidelity & Deposit Co. has opened larger offices on the ninth floor of the Failing building, Portland, Ore., Clarence Porter is manager.

ACCIDENT-HEALTH

Fitzhugh Gives Results of New Study of Group A. & H. Morbidity Record

A paper entitled "Recent Morbidity Upon Lives Insured Under Group Accident and Health Policies and Premiums Based Thereon," was presented by Gilbert W. Fitzhugh of the Metropolitan Life at the meeting of the Actuarial Society of America in Swampscott, Mass., this week. He gives the results of an inter-company investigation of the morbidity experience under policies of group accident and health during the years 1931 to 1935. This is the first time any experience of this nature has been made generally available since Ralph Keffer presented his paper on the same subject in 1927.

The exposure contained in the investigation is considerably larger than that contained in any previous investigation of the same type of insurance and interesting results were obtained. Group accident and health is written on several

different plans of benefits, which differ in the number of days waiting period of disability prescribed before any benefits are payable and in the maximum number of weeks for which benefits will be paid for any one period of disability. It was found from this investigation that the rate of disability varied substantially according to the plan of benefit involved, even for corresponding periods of disability.

The paper shows comparative results of morbidity rates for males and females, by the age of the insured, and by the size of the group policy.

A second part of the paper outlines the method of loading adopted by one company in order to compute gross premiums based on the morbidity rates resulting from this experience. The resulting gross premiums are somewhat lower than the premiums charged by this company prior to this investigation, particularly for the plan of benefit requiring a waiting period of seven days with a 13-weeks maximum period of benefit, which is the most common plan of benefit in this company.

Extends Its Industrial Branch

The Inter-Ocean Casualty is again becoming active in the industrial field. J. A. Eggers was recently appointed

manager of its newly opened industrial office in Cincinnati. The Inter-Ocean reinsured a considerable portion of its weekly premium business in 1929, but has maintained several industrial districts in Pittsburgh and West Virginia. The United of Chicago insured the Ohio business in 1929 and at that time an agreement was entered into whereby the Inter-Ocean would not enter the industrial field for five years, the agreement expiring in 1934.

The Inter-Ocean regards the present time as ripe for its reentry actively in the industrial field and other districts will be opened conservatively as conditions warrant. The company is considerably ahead of its premium volume last year and claims show improvement.

Autumn Meeting of the Bureau

NEW YORK—The fall meeting of the Bureau of Personal Accident & Health Underwriters, originally set for Oct. 5, has been changed to Oct. 14 to coincide with the date of the testimonial dinner to be tendered Stewart L. La Mont, vice-president Metropolitan Life and head of its personal accident department. Under the guidance of J. F. Lydon of the Ocean Accident & Guarantee as chairman, the governing,

underwriting, statistical and manual committees of the bureau will review the material gathered since the annual meeting last May.

Repeal Petition Is Filed

BOSTON—A second attempt to secure an initiative petition for the repeal of the Massachusetts compulsory automobile liability insurance act and substitution of a measure requiring drivers to show financial responsibility has succeeded and the measure has been filed with the secretary of state, bearing the approval, as to form, of the attorney-general.

Ten signers on the petition represent leading members of the Boston Automobile Club, which was unsuccessful with its first petition which involved the powers of the courts. Under the proposed measure owners and operators of motor cars would come under a financial responsibility law like those in other states.

The petition will come before the next legislature which convenes early in January. If rejected by the legislature another 5,000 signatures will place the measure on the ballot for a referendum.

Louis Diemer, 80, president of the American Mutual Fire of Louisville, died.

Buying a pig in a poke!

Buying a pig in a poke. This saying is said to have originated in a trick of a countryman who put a cat into a poke, or sack, and sold it in a market as a suckling-pig, the buyer not having taken the precaution to inspect it before paying his money. The discovery of the trick is said to have originated another saying:—"Letting the cat out of the bag."

—"Words, Facts and Phrases," Edwards.

Know what's in the bag: We invite the fullest inquiry.

Bankers Indemnity Insurance Co.
Newark, New Jersey

« Casualty Affiliate of The American Group »

WANTED

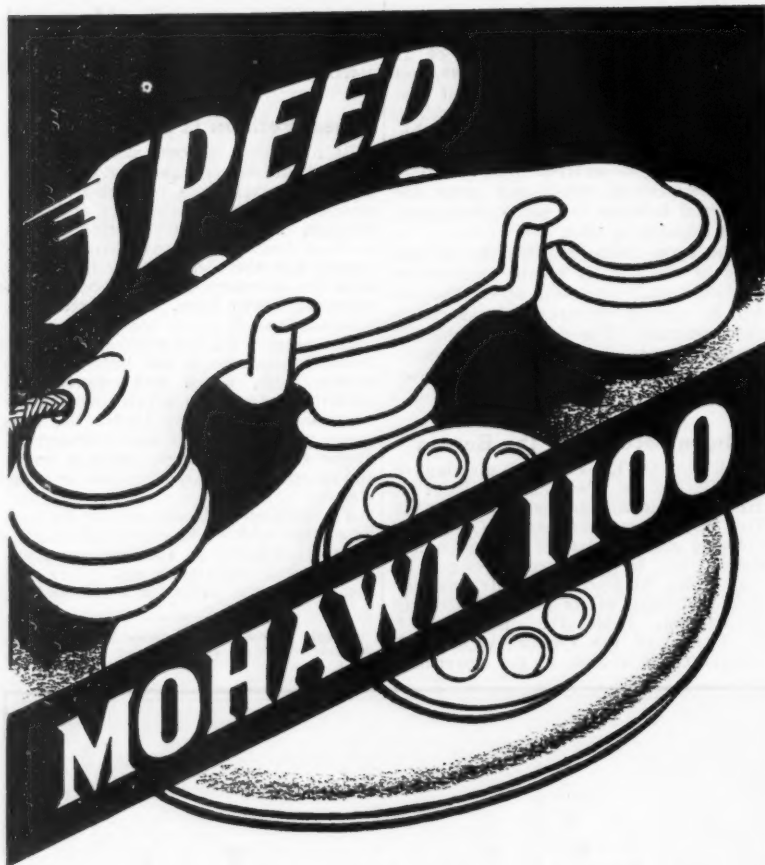
Wanted young man experienced Surety Fidelity lines for special agency work in Los Angeles. Write fully qualifications and experience. Replies confidential.

ADDRESS G-46, NATIONAL UNDERWRITER

WANTED

An experienced Collection Manager large Casualty and Auto Company. Write complete qualifications and experience. Replies confidential.

ADDRESS G-57, NATIONAL UNDERWRITER



A CALL will convince you of our fast, reliable and dependable service. We promise you just such exacting treatment in the prompt replacement of insured plate glass.

Your promises to assured of the quickest possible plate glass replacement can be fulfilled if you deal with this organization, the recognized leader in the Chicago plate glass field.

Your service to assured will be improved through our service to you.

★ UNFAILING SERVICE ★

AMERICAN GLASS CO.
1030-42 N. BRANCH ST. CHICAGO

NEWS OF CASUALTY COMPANIES

Revamp New York Company

Toledo Truck Operator Is President of Auto Mutual Indemnity, Ohio Department Man Manager

The New York department has sent a telegram to the commissioners in the various states in which Auto Mutual Indemnity of New York has been licensed asserting that reorganization of that company has been completed and it has now been reinstated in good standing. Additional contributions to surplus have been pledged, a reinsurance agreement has been effected with the Excess, thus releasing reserves. Attorney Otto Hankison of Toledo has been elected president and Claude C. Beals of Columbus, O., has been elected vice-president and general manager.

Donald N. Stanbery, an examiner in the Ohio department, has resigned to serve as secretary of Auto Mutual Indemnity. He is in New York now. Mr. Beals will enter upon his duties Nov. 1.

Auto Mutual Indemnity has been under a shadow for some time. It specialized in the writing of long haul truck and bus risks. Just recently three of its principal officials headed by Kirk A. Landon, general manager, resigned.

Heads Midwest Haulers, Inc.

Mr. Hankison is president of a large trucking concern, Midwest Haulers, Inc., of Toledo. Mr. Beals has been chief examiner in the Ohio insurance department. He went to New York to make an examination of Auto Mutual Indemnity for the Ohio department and thus became acquainted with the set up. He has been with the Ohio department 14 years and at one time was a candidate for appointment as insurance superintendent.

It is understood that \$26,800 additional contributions have been pledged and that \$7,200 in reserves are released. In an examination by the New York department dated March 5, 1937, the statement was made that Auto Mutual Indemnity should make up the deficiency of \$13,197 in the guaranty fund required by law; the management and underwriting expenses should be reduced within the limitation of 30 percent of premium income. Auto Mutual Indemnity needs to take immediate action to reduce its excessive loss and expense ratio on its business in other states by reduction of commissions, increase of rates and elimination of risks or classes found to be unprofitable. Especially it appears that the higher truck risks and some of the other long haul truck business have been particularly hazardous. The premium writings, according to the department, have been increased far beyond the normal ratio to the surplus which it had at the time and the greater proportion of the increase was derived from an unprofitable class. The company should defer any further expansion until its surplus position warrants additional premium volume, the department stated.

Becomes Postal Mutual Indemnity

The name of the Postal Indemnity of Dallas, has been changed to Postal Mutual Indemnity, and its charter and by-laws amended to provide for operation as a mutual casualty company. The company, which has been writing only accident and health insurance, will now write also fire and general casualty lines. The officers are C. A. Sammons, president; J. F. Rider, vice president; G. Anderson, secretary. The home offices are in the Thomas building, Dallas.

Gillett Is Recognized

J. McClure Gillett, for more than 10 years manager of the compensation, automobile and liability departments of the

Maryland Casualty, has been named assistant vice-president. He will continue in direct charge of the three departments and in addition will assist in general supervision of casualty lines.

Mr. Gillett has been with the Maryland for nearly 35 years, starting as a file clerk. He served in the auditing division before being assigned to the compensation department.

Employers Mutual Buys Building

Employers Mutual Casualty of Des Moines has purchased a three-story building at 204 Seventh street to be used as a new home office.

Insurers Indemnity Licensed

License was granted in Oklahoma to the Insurers Indemnity & Insurance Co. of Tulsa, Okla., authorizing it to write automobile liability and liability other than automobile, workmen's compensation, burglary and theft, and all classes of property damage and collision.

The Anchor Casualty of St. Paul has applied for license in the state of Washington.

Work to Improve Truck Losses

The Western Casualty & Surety has added a man in Chicago and one in Kansas City to devote their entire time to inspections and safety educational work with the company's large number of commercial truck fleet risks. The company hopes the educational and inspection work will tend toward an improved loss ratio.

Follow Institute Study Course

KANSAS CITY—The group of casualty and surety employees and young executives organized here last year for educational purposes will this year follow the outline of the Insurance Institute of America in its study of casualty and surety subjects. Enrollment for the first of a three-year course will start Oct. 19. Classes will start Nov. 2.

Walter Dennison of T. H. Mastin & Co. is president of the group. Enrollment in a course the group itself outlined last year was 75.

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FIDELITY AND SURETY NEWS

Fidelity Bond Campaign Is Under Way at Kansas City

KANSAS CITY—Talks to local boards on the western Missouri-Kansas campaign for fidelity bond business in commercial houses were made last week before the Chanute (Kan.) Insurers by J. Ives Barton, manager Maryland Casualty here, Oct. 5; by Ross Heck, superintendent bonding department Aetna Casualty & Surety, Oct. 7, before the Salina Insurance Board.

Baxter Brown, manager Fidelity & Casualty, recently spoke before the Topeka board. Talks will be made at Winfield, Arkansas City, Lawrence, Eldorado and Atchison, Kan., and St. Joseph, Joplin and Springfield, Mo. Undated yet is the big joint meeting for agents in Kansas City, Mo., and Kansas City, Kan.

W. F. Moffatt, manager U. S. F. & G., spoke at St. Joseph, Mo., Oct. 8. He is speaking Oct. 14 at Coffeyville, Kan., and Oct. 15 at Independence, Kan. Ross Heck will talk at Hutchinson, Kan., Nov. 9.

See Boom in Pennsylvania

HARRISBURG, PA.—Surety men in Pennsylvania anticipate something of a boom in the contract bond line due to the ambitious public works construction program that has been mapped out in the state. Among the projects are a new state college building, to cost about \$5,000,000; an industrial school to cost \$2,750,000; state finance building, \$5,000,000; state hospitals at Allentown, Norristown and Scranton, with an aggregate cost of \$5,300,000. Many smaller projects to cost in the aggregate of \$8,000,000 are on the tapis.

Discuss Liquor Bonds

DETROIT.—The writing of the new bonds required to cover beer and wine retailers who sell for consumption on the premises in Michigan, or rather the revised bonds required, was discussed from all angles by the members of the Surety Association of Michigan at their October meeting. President J. C. Smith, branch manager American Surety, presided.

Boston Outing Held

The annual fall outing at Quincy, Mass., of the Surety Underwriters Association of Boston attracted some 40 members.

Mason Back Home

DETROIT.—S. T. Mason, Detroit insurance attorney and general counsel for the Surety Association of Michigan, and Mrs. Mason have returned from a two months' tour through Europe.

Chicago Surety Meeting

The October meeting of the Surety Association of Chicago is to be held in the Union League Club next Tuesday. At that time the nominating committee will make its report. The annual meeting is to be in November.

Check Ohio Liquor Bond Abuse

As a result of a complaint made to the Ohio liquor commission by the Portsmouth Association of Insurance Agents through the Ohio Association of Insurance Agents, regarding the raiding of permit bonds, the department has posted a notice to the effect that no solicitor is authorized to sell bonds on the premises of the commission, and permittees are advised not to purchase bonds while in the liquor commission's

building. It is charged that the representative of a Columbus agency has told permittees that the bonds they had were not satisfactory and that a new one should be obtained through him. Efforts will now be made, it is said, to abolish this practice.

Read "Surety Bonds" by Lunt. \$3.50. Order from National Underwriter.

Preferred Loses Appeal to U. S. Supreme Court

WASHINGTON, D. C.—A decision of the sixth circuit court of appeals that the testimony of a wife was admissible was in effect upheld by the United States Supreme Court's rejection of an appeal of the Preferred Accident, based on the contention that under the Ohio code all communications of husband and wife in the absence of a third party are conclusively presumed to be confidential and are therefore to

be excluded in every litigated case. It also rejected appeals of the Bankers Indemnity from decisions of the ninth circuit court of appeals holding that an agent had authority to bind the company on a contract and that the fact the company had filed notice for the appointment of an agent and then appointed the agent operated to confer upon the agent power to make contracts.

S. H. Henderson, president of the Wawanesa Mutual of Canada since 1914, died there.

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need not
so often change and shape the course of man's affairs"



"Dad says you'll take good care of it for me..."

MICKEY's newsboy earnings, the factory payroll, the savings of a community...all these the banker must "take good care of." Few men have so heavy a responsibility. His business judgment must be sound, his reputation above question. But he can't be a prophet. No more than any other man can he foretell the vagaries of the Unforeseen.

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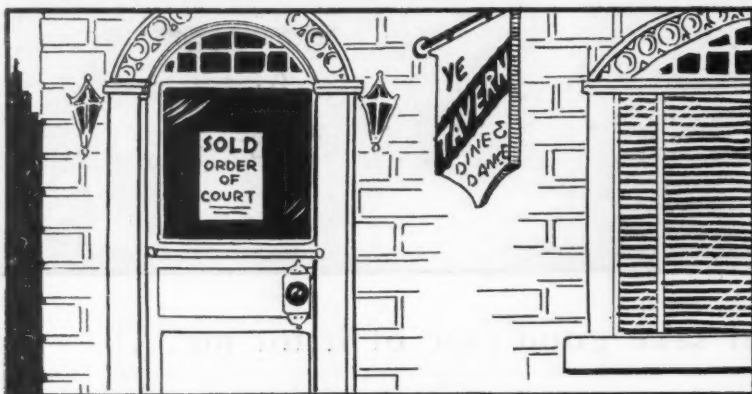
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Every owner of a building in which intoxicating beverages are served, may find himself in difficulties by reason of the ILLINOIS LIQUOR CONTROL LAW, unless he is protected with insurance.

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WORKMEN'S COMPENSATION

Record of Wisconsin Results

Interesting Figures as to Claim Settlements for 1936 Are Issued by the State Industrial Commission

MADISON, WIS.—Under the Wisconsin workmen's compensation insurance act, a total of 20,926 claims were settled, involving benefit payments of \$3,787,081 in 1936, according to the Wisconsin Industrial Commission. These settlements made to injured workmen or dependent survivors cover indemnity payments of \$2,824,256; medical costs of \$929,145, and funeral expenses of \$33,680. Injured lost 2,301,772 working days. Death cases numbered 169, or 0.8 percent of the total; permanent total disability 7, or less than .03 percent; permanent partial disability 1,456, or 7 percent, and temporary disability 19,294, or 92.2 percent.

Insurance companies writing workmen's compensation in Wisconsin set a new high record for prompt payment of claims in 1936, the commission said. Cases in which the first payment of compensation was made within three weeks after disability commenced increased an average of 10.4 percent in 1936 over the year before.

Gannaway to City Post

Homer Gannaway, for six years compensation attorney for the Minnesota industrial commission, has been appointed attorney-investigator in compensation cases for the city of St. Paul.

The city maintains its own fund for compensation awards.

Utah Accident Situation

J. F. Harist, special representative of the Continental Casualty, summed up the industrial accident situation from the underwriters' standpoint at the conference in Salt Lake City of the Utah-Nevada Safety Society, by saying that they are basically due to "negligence, carelessness or haste. If we can eliminate these three causes, the compensation problem which is causing much loss of sleep on the part of employers, insurance companies, rating bureaus, agents and others would be practically solved."

Oklahoma Fund Report

Compared to \$383,309 as of July 30 when he took office, assets of the Oklahoma state fund as of Sept. 30 were \$419,431.17, according to a report by William Huddleston, manager. Surplus was given as \$142,304, against \$124,537 July 30.

Compensation Court Upheld

LINCOLN, NEB.—The Nebraska supreme court has denied the request of the city of Lincoln for an order enjoining the state compensation court from granting a rehearing to an injured worker after it had filed notice of an appeal from the award, claiming that being made up of appointees of the governor, it did not possess the powers of a judicial tribunal. The court held the point was not well taken.

CASUALTY ASSOCIATION NEWS

Promote Organization of Illinois Casualty Field Men

A group of Illinois special agents of stock casualty companies is undertaking to form an organization in the state that would be somewhat comparable to the Illinois Fire Underwriters Association in the fire insurance field. An organization meeting and dinner is to be held in Peoria, Oct. 25. An attendance of at least 20 is expected. A second meeting in Rockford in November is tentatively scheduled. W. R. Purtell of Chicago, special representative for Maryland Casualty, is chairman of the organization committee. He is being assisted by W. L. Jackman of the Travelers in Peoria, Clarence P. Nichols, Metropolitan Casualty, Springfield, and James Rice, Employers Liability, Springfield. The organization will be designed to promote good fellowship. A number of field men believe that such an organization would prove exceedingly valuable. The organizers estimate that there are about 100 casualty field men in Illinois eligible for membership.

Oklahoma Board Members Present

Members of the Oklahoma Insurance Board were invited as special guests at the luncheon of the Surety & Casualty Association of Oklahoma, at Oklahoma City, discussing insurance regulations enacted by the last legislature.

The discussion was led by Leslie Williams of the United States Fidelity & Guaranty. The board members are Commissioner J. G. Read, president; A. C. Moore, secretary, and W. C. Theimer, state fire marshal.

Pittsburgh Studies O. D.

PITTSBURGH—A discussion of new amendments to the state workmen's compensation law, especially with regard to occupational diseases, was held at the monthly meeting of the Casualty Association of Pittsburgh. The program was

led by Charles Reid of Wallace M. Reid & Co., and Harold P. Schewe of the New Amsterdam Casualty, president of the association.

A resolution was adopted suggesting that at the next meeting, the second Tuesday in November, a doctor prominent in treating occupational diseases such as silicosis and lead poisoning be present to explain the seriousness of these ailments to members.

Clement Talks to Claim Men

MINNEAPOLIS—Paul Clement, general manager Minnesota Commercial Men's, discussed "Fraudulent Claims" at a meeting of the Claim Agents Club.

Boston Association Election

BOSTON.—The Association of Casualty Underwriters of Boston had a lively annual meeting with the nominating committee presenting two slates of officers as an innovation. The following were elected: President, W. D. Neese, Standard Accident; vice president, DeBlois Page, Jr., Ocean Accident & Guarantee; secretary, G. J. Flight, Great American Indemnity; treasurer, Edward S. Hawes, London Guarantee & Accident; executive committee, E. L. Bouchie, Metropolitan Casualty; R. H. Taylor, Employers Liability; J. R. Flanders, Home Indemnity; P. C. Boody, Standard Accident.

Holding Safety Meetings

DULUTH, MINN.—Fred W. Braun, safety director Employers Mutual, Wausau, Wis., will speak at the first of a series of industrial safety meetings here Nov. 3 on "The Psychology of Safety." The meetings, sponsored by various organizations, will continue through the winter with a final dinner and award meeting in April.

Miss Betty Hoyt, daughter of S. M. Hoyt, vice-president Fidelity & Deposit, was married Oct. 14 to John E. Conley of Baltimore, who is on the staff of the Baltimore "Sun."

Bay State Probers Condemn DeCelles on Many Counts

(CONTINUED FROM PAGE 10)

ceivership, in fact, while the hearings before this committee were in progress. Much of the testimony he presented was obviously false. While the committee has no power of recommendation, it does believe that the commissioner has demonstrated his unfitness for the important and responsible position which he holds."

DeCelles Sought Control

The report finds that first through George S. Ryan, a Belmont attorney and friend and neighbor of DeCelles, who was general counsel of the company in its early days, and Attorney Nathan Fink, who succeeded him as counsel and as an intermediary with the commissioner, DeCelles tried to get control of Commonwealth by crowding out the New York backers who represented the guaranty capital.

"At a time when there was every indication that the company could be saved, the commissioner deliberately plunged it into receivership."

The legislative committee makes some suggestions as to legislation. It finds that DeCelles had ample authority to prevent the licensing or operation of Commonwealth and there is no necessity for giving the commissioner additional authority.

It recommends, as a prerequisite to obtaining a license, a statement of the officers and incorporators, under oath, as to organization expenses should be called for, as well as assurances there are no secret agreements or outstanding obligations of any kind.

Complete divorce of mutual companies from agencies and finance companies is also recommended, with a proposal that agencies be prohibited from deciding what risks a company shall accept.

The committee states usually an agency company and a finance company for a mutual "have the same ownership and management and an opportunity is afforded for further profit at the expense of policyholders of the insurance company."

The use of the words "United States" or "Commonwealth" in titles of banks, insurance companies, or business corporations is criticised and it is recommended the use of such titles be prohibited in the future.

No Insurance Experience

The committee said that Commonwealth Mutual's officers, directors and general counsel had had no previous insurance experience. The type of risk accepted and the overmanning of the company with inexperienced political appointees were detrimental. The domination of Ryan over the directors, his constant maneuvering for control and his laxity in handling claims were important factors in the company's sad experience.

DeCelles, according to the committee, practically from the outset elected to administer rather than supervise Commonwealth Mutual.

The committee devotes considerable attention to the row between DeCelles and Frank Cohen, financial backer of Commonwealth, who was the controlling factor in the defunct Lloyds Casualty of New York, Federal Surety of Iowa and a number of other casualty companies now demised. DeCelles testified, the committee recalled, that if he had known Cohen were behind Commonwealth, he would never have licensed the company. The committee finds, however, that DeCelles was entertained by Cohen in New York before Commonwealth was organized and DeCelles knew that Cohen was to be the financial backer.

The committee recalled that DeCelles fought the election of Count Luigi Castelli as president of Commonwealth.

This resistance, the committee attributed to DeCelles' desire to retain control of Commonwealth for himself and Ryan. Castelli, according to the committee, was the instrumentality that Cohen attempted to use to wrest control of Commonwealth from DeCelles and Ryan.

"Anyone and everyone who had disagreed with him or with his action in connection with the Commonwealth Mutual became a 'gangster and a racketeer,'" the committee stated in referring to DeCelles.

Even after Commonwealth Mutual had been closed, the committee said that DeCelles offered to cooperate in a move to have the Metropolitan Mutual of New York enter Massachusetts or to permit Cohen to organize a new mutual.

During its life of less than a year, the committee recalled, Commonwealth Mutual wrote net premiums of \$802,122 and had 23,000 policyholders. The hearings of the committee continued between April 27 and July 12 of this year. Thirty-six witnesses were heard and there were 1,000,000 words of testimony.

Hide-Bound Attitudes Are Lashed by C. A. Abrahamson

(CONTINUED FROM PAGE 10)

feeling was that "You keep off my yard and I'll keep off of yours." The buying public, he said, is not interested in the lines of demarcation between different types of carriers. They are interested in only one thing and that is proper coverage.

President Abrahamson after lashing the companies turned his attention to the agents saying that they had gone to their legislatures and insurance commissioners, obtaining regulations, rules and laws for their selfish advantage and did not keep the public in mind.

Much has been written and said, he declared, about the U. S. Supreme Court decision concerning the Georgia countersigning law. He took issue with Secretary W. H. Bennett of the National Association of Insurance Agents and speaking as an agent he said he is heartily in favor of the decision. State after state, he said, has passed stringent countersignature laws, all of them at the behest of agents. No one has been able to convince Mr. Abrahamson, he said, that for signing his name he should receive a percentage of the producers' commission merely through accident of residence when he had not the slightest chance of writing the business himself.

Will Demand Breakdown

There is something vitally wrong with a system which must load the premium dollar to pay blood money, said Mr. Abrahamson. Sooner or later the large buyers at least will demand a breakdown of the premium dollar.

Mr. Abrahamson does not believe that many companies are attempting to destroy the American agency system. The system, he said, will destroy itself unless it ceases to make commission scales the paramount issue, unless it ceases to coerce legislatures to pass countersignature laws and unless it ceases to run to the commissioners for this or that regulation.

The insurance commissioners, he said, have become more and more powerful. In some states already they are regulating commissions. He said that the right of contract between company and agent should be kept inviolate. He urged the companies to join with the agents in passing strong qualification laws. He wants the incompetent producer weeded out. The fire companies have established the Business Development Office and its success seems assured. Casualty and surety companies, he said, should do likewise. The companies, he said, should appoint strong spokesmen to have real authority as conference committees. Speaking on this point, he said, "Unless the companies are willing to place some degree of confidence in their spokesmen and give them some degree of authority, no negotiations can be successful."

CASUALTY • PERSONALS

Dr. A. D. Lazenby, chief surgeon of the Maryland Casualty has been named to the committee on industrial injuries and diseases for the New York World Fair in 1939. Dr. Lazenby will assist in arranging educational presentations in the field of industrial surgery and medicine. In charge of the Maryland's organization of more than 5,000 physicians and surgeons, Dr. Lazenby is an authority on occupational diseases.

D. L. Royer, manager of the boiler and machinery department of the Ocean Accident & Guarantee, went to Kansas City to attend the National Safety Congress. He is chairman of the American Society of Safety Engineers, the engineering section of the congress. En route west he stopped at Cleveland for a visit with his company's representative there. Mr. Royer is recognized as one of the most astute engineers connected with casualty insurance and is known for the thoroughness with which he studies the intricate problems presented to him.

Stanley M. Ward, Jr., superintendent of the boiler and machinery underwriting department of Maryland Casualty, observed the 35th anniversary of his association with the company. He started as an office boy in the inspection division. He was named superintendent of the department in 1923, having previously been an underwriter.

W. P. Hobart, 87, founder of the Ministers Life & Casualty Union of Minneapolis, and active in insurance affairs of Minnesota and Wisconsin for half a century, died at his home in Minneapolis.

Born in Vermont, he went west as a young man and while in business in Dixon, Ill., helped with the organization

of the early camps of the Modern Woodmen. Moving to Oshkosh, Wis., in 1886, he organized the American Mutual Accident Association. In 1898 he incorporated the Surety Fund Life of Minnesota, with headquarters in Minneapolis.

He had planned for some years a health and accident association for clergymen and in 1900 organized the Ministers Casualty Union. Later he disposed of his interests in the Surety Fund and devoted his time to the new organization, serving as its secretary and chief executive officer until his retirement in 1920. Since that time he maintained an advisory relationship to its work as associate secretary. His son, M. W. Hobart, succeeded him as secretary. With the addition of life contracts, the name of the company was changed to the Ministers Life & Casualty Union.

C. F. Hellganz, well known claims attorney of the Pacific Coast, died at his Los Angeles home, from a heart ailment. Although he had been confined to his home for several months, it was thought that he was on the road to recovery. Mr. Hellganz went to San Francisco more than 20 years ago as Pacific Coast claims manager for the Royal Indemnity, having been associated with the same company in the east. About 10 years ago he engaged in the practice of law in San Francisco, moving to Los Angeles about eight years ago.

J. D. Clare, 51, with the legal department of the Travelers for nearly 30 years, for part of that time as assistant manager of the Boston branch, died at a hospital there. He was with the legal department of the travelers in Detroit and Indianapolis before going to Boston in 1916. Prominent insurance executives and former associates from Boston, New

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especially for individuals past sixty. Therefore, elderly persons, more than others, are in definite need of accident insurance; but it is practically impossible to obtain the necessary protection through ordinary sources. All agents and brokers will find that our Over-Age Accident Insurance Policy offers exceptional service opportunities. Write for proposals and detailed information.

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York City, Baltimore, Indianapolis, Chicago, Cleveland and other places attended the funeral.

Virginia Lee Rowland, daughter of R. M. Rowland, metropolitan accident and health manager for the National Casualty of Detroit, was selected as "Miss Michigan" by the student body of the University of Illinois and presided at the ceremonies attending the opening of the university's football season. Mr. Rowland is past president of the Detroit Accident & Health Association.

W. B. Clarkson, manager of casualty lines at the Newark branch office of the Travelers, will celebrate his 40th anniversary of service with the company Oct. 16 and his 57th birthday on Oct. 15. Mr. Clarkson started with the company in 1897, as a bookkeeper in the old Travelers' office at 31 Nassau street, New York City.

A. Morgan Duke, who is president of the Commercial Standard and also president of the Gulf States Life of Dallas, is in Chicago attending the annual meeting of the American Life Convention.

J. R. Plummer of Fort Worth, vice-president of the Commercial Standard who figured prominently in the outside activities of the convention of the National Association of Insurance Agents in Dallas last week, is also in Chicago this week.

Literally a library on fire insurance—the progressive agent reads "The Fire Insurance Contract," \$3.50. The National Underwriter.

Little Change in Final Auto Rates for Massachusetts

(CONTINUED FROM PAGE 18)

experience, he said. This adoption of sound theory should not be set aside for another theory even if it is equally sound for the purpose of expediency. There should be no shifting from one method to another merely in order to get lower rates for the time being. Stock companies have consistently contended that the rate level should be adjusted by the experience of the two latest years for which statistics are available. Such a level has been used in the past and more quickly reflects the rates for the coming year than the five year plan which the commissioner has used.

Outstanding Claims Difficult

It is a difficult matter to determine the companies' liabilities for outstanding claims. This requires wide experience and a full knowledge of all information available. The companies have thoroughly investigated unsettled claims for the period 1932-1936 and there are 23,699 such cases. The companies have estimated that it will cost them \$13,668,619 to pay them. The commissioner has revalued this allowance at \$12,379,240, or \$1,289,379 less than the amount reported by the companies. The companies protested against this reduction as the company estimates have been made in good faith and represent their best judgment as to the losses which they and not the insurance department will have to pay. The com-

panies have based their judgment on facts and circumstances and their practice in the past has demonstrated their ability in this respect.

Although the final pure premium attained by the commissioner does not differ much from that computed by the companies, the latter contend there is a matter of principle to be considered and the formula adopted by the commissioner in computing the 1938 rates is not in accordance with sound and approved methods. The stock companies seek a 38.95 percent expense ratio while the commissioner allows 35.5 percent. The countrywide expenses of both stock and mutual companies is over 47 percent, while the 1936 experience in Massachusetts of stock companies is 35.73 percent without any provision for the 2.5 percent profit to which they are entitled. Estimated increases in wages, taxes and cost of the social security will bring the percentage up to 38.95 percent, said Judge Chase.

Gordon Again Is Chosen Chairman

(CONTINUED FROM PAGE 18)

panies was increased materially, with 73 participating in financial support of the activities of the general committee, while at least 50 more utilized some of the advertising and publicity material. The committee voted to send a copy of Chairman Gordon's report to the president of every company writing accident and health insurance.

Members of the committee in attendance at the meeting, in addition to Chairman Gordon, were R. W. Faulkner, Woodmen Accident; E. H. Ferguson, Great Northern Life; T. R. Wyles, Jr., Standard Accident, substituting for Thomas Hook of that company; George R. Kendall, Washington National; W. E. Kipp, Indemnity of North America; E. H. Mueller, Pacific Mutual Life, Milwaukee; C. W. Young, Monarch Life, representing C. H. Munsell of that company; C. A. Palmer, Insurance Advertising Conference; Frank A. Post, Accident & Health Review; James E. Powell, Provident Life & Accident; Harry Prevost, United States Fidelity & Guaranty, and W. Edwin White, Continental Casualty. A. E. Faulkner, chairman Executive Committee Health & Accident Underwriters Conference, also sat in at the afternoon session.

Commissioners Are Featured at White Sulphur

(CONTINUED FROM PAGE 17)

uty commissioner of New Jersey, who stated that "coditis" becomes infectious." He is eagerly watching his neighboring state of New York, he said.

Commissioner F. J. DeCelles of Massachusetts said that the compulsory insurance law is worse than "coditis." It started as a social experiment but now is a social necessity. However, Mr. DeCelles declared, a change is needed and a new theory should be developed embracing the best features of the financial responsibility and the compulsory insurance laws. He suggested a flat rate for the minimum hazard with an increasing rate according to experience on the risk. The Massachusetts public has been educated to the knowledge that rate making is a mathematical formula, he stated, and they are aware that the rate is based on their own experience. Mr. DeCelles expressed the opinion companies could afford to take any risk if the rate were commensurate.

Superintendent C. W. Lovejoy of Maine brought greetings from "a foreign country." He was followed by Commissioner J. C. Blackall of Connecticut. Assistant Secretary of War Louis Johnson gave the only formal address of the morning. Tuesday after-

noon was given over to the golf tournament and the get-together dinner was Tuesday night.

Ernest Palmer presented the prizes at the banquet Wednesday night. Attendance exceeds that of many years.

President Abrahamson of the agents association presided over the Wednesday meeting. The speakers were: A. M. Schmidt, insurance manager Johns Manville Corp., speaking on "The Origin and Objectives of Risk Research Institute," and Senator Austin of Vermont spoke on "Clouds Over the Mediterranean."

Senator Austin gave an address on the Palestine situation, advocating a legislative council in which parity of representation of Jews and Arabs is maintained.

Vice-president J. M. Haines of the International association announced the following appointments: Resolutions committee, A. Duncan Reid, chairman; E. C. Stone, W. G. Curtis, M. E. Johnson and Silliman Evans; nominating committee; Henry Collins, C. B. Morcom, J. Arthur Nelson, J. A. Diemand and H. P. Jackson.

The nominating committee of the agents association consists of T. E. Braniff, Oklahoma City, chairman; C. M. Bend, St. Paul, and Wade Fetzner, Chicago.

The slate for the International association is: James M. Haines, U. S. manager London Guarantee, for president; J. A. Diemand, vice-president Indemnity of North America, for vice-president, and F. Robertson Jones continuing as secretary. The executive committee will probably remain the same with W. R. C. Corson, Hartford Steam Boiler, as chairman.

Secretary F. Robertson Jones reported that membership consists of 48 companies, one bureau, five individual members and two honorary members. He reviewed the legislative season, finding that before the 43 legislatures there were 3,754 bills affecting casualty and surety of which 905 were considered objectionable. He summarized the legislation under the headings of taxation, social security, workmen's compensation, occupational diseases, surety, special deposits, automobile financial responsibility, guest laws, hospital, etc., liens, rates, agents, insurance code and miscellaneous.

Paul G. Hoffman, president of the Studebaker Company and of the Automotive Safety Foundation, met with company executives at a breakfast to discuss the work of the foundation and interest insurance companies in it. The purpose of the organization is to promote highway safety through safety engineering and educational work. Officials of the motor industry are contributing to the foundation, Mr. Hoffman said, and many educational institutions are conducting courses in safety work. In discussing highway safety, Mr. Hoffman expressed the belief that not broader highways are needed, but divided, one-way roadways. He cited as an example the express highway in New York City on which only one fatal accident has occurred in four years.

Louis Johnson, assistant secretary of war, gave an address in which he presented the conception of the war department as a great peace establishment.

Conference Meeting in Chicago

The Health & Accident Underwriters Conference will hold its annual meeting next May at the Edgewater Beach Hotel in Chicago, it was decided at an executive committee meeting in Chicago this week. The Columbian National Life was admitted to membership. The next executive committee meeting will be held in Chicago in January.

N. Y. Hearing on Medical Fees

NEW YORK.—Suggestions as to minimum medical fees in connection with workmen's compensation cases will be considered at a public meeting at Albany Oct. 25, called by Industrial Commissioner E. F. Andrews.

We are writing an Excess Contract in connection with the Workmen's Compensation Retrospective Rating Plan to protect Assureds from the payment of additional premiums.

Inquiries are invited.

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POINTERS FOR LOCAL AGENTS

Boiler and Machinery Are Treated by G. W. Carter

George W. Carter of Detroit gave a talk at the Dallas convention of the National Association of Insurance Agents on boiler and direct damage machinery insurance from the standpoint of the solicitors. He said:

"The facts are that there is a very definite hazard in the operation of boilers and machinery, which can only be removed or harnessed through careful and frequent inspection by qualified engineers employed by insurance companies. Boiler insurance embraces explosion, collapse and rupture of all pressure vessels, including all types of pressure piping, and including explosion of flywheels, fractures of cast iron boilers and furnace explosion. Machinery breakdown insurance applies to turbines, steam engines, internal combustion engines, machines having reciprocating pumps, and compressors. This form of coverage also includes insurance for electrical machines, such as electric generators, motors, transformers, rotary converters, switchboards, etc.

Possesses Inherent Energy

"All this equipment has what is known in engineering circles as inherent energy, which when properly utilized accomplishes the service for which the equipment is intended, and when it exceeds its functional ratio of performance, the energy becomes uncontrollable and a severe loss occurs. When an explosion of a pressure vessel or the breakdown of a machine occurs, damage arises not only to the equipment itself but to other property both on and off the premises. Statistics disclose that a turbine generator in 1928 sustained a loss of \$275,000 and a few days earlier on an uninsured machine a loss of \$400,000 occurred. Turbine engine and flywheel losses of \$25,000 are not uncommon, and, likewise, transformer burn-outs amount to \$10,000 in each instance.

No Regulatory Laws

"There are no regulatory laws relating to the inspection of machinery except in the state of New Jersey. Of the total premium for boiler and machinery insurance, 65 percent is collected for the purpose of inspecting equipment for the prevention of accidents and safeguarding its use; whereas in other forms of

coverage 65 percent of the premium is usually allocated for the adjustment and payment of losses. It can readily be seen that the solicitation of this type of insurance coverage requires a different selling formula that that usually applicable to fire insurance and the ordinary casualty lines, because engineering science is applied for the express purpose of preventing a loss, whereas, again, the selling of the other classes of insurance is for the purpose of reimbursing the assured for a loss.

"The most practical way to develop this class of insurance is through the services of a qualified engineer, first describing and listing the equipment subject to loss from usage and wear and tear, which can only be overcome by competent outside inspection service rendered by insurance companies.

Company Engineer a Safety Valve

"The maintenance engineers, plant engineers and others charged with the responsibility of looking after pressure vessels and machinery not infrequently overlook a condition in a piece of equipment because of their close association with same. The company engineer, however, serves as a safety valve against carelessness, incompetence and sometimes indifference on the part of equipment men. In all events the company engineer guarantees at least 65 percent efficiency of the equipment at all times. The insurance company engineer is placed in the position of a consulting engineer in the serving of policyholders.

"The insurance companies maintain a research department with constant laboratory experimentation. Valuable information is thus directed to the engineers to impart to the policyholder, containing important data to constantly improve and safeguard the equipment covered.

Function of the Engineer

"The strongest insurance company in the world is of little value to the policyholder without an efficient, well informed engineering force to serve the policyholder for the prevention of loss rather than the payment of loss. The engineer naturally is the best informed person to suggest and recommend the items of equipment to be covered and the manner in which same is to be pro-

tected as to amounts of insurance, etc.

"It must be born in mind that all items of equipment naturally are subject to deterioration. This is an important item to reckon with, and must be considered by the competent engineer for the purpose of safeguarding the property owner against loss and interruption of his business. Proper inspection by trained engineers keeps accidents to a minimum. Certain losses, however, are inevitable because of the gradual, undetected weakening of equipment due to wear and tear.

Must Know the Rating Manual

"In the selling of this class of coverage, it is tremendously important to acquaint yourself with all the details and ramifications of the rating manual because the fitting of the equipment to the classification specified in the manual insures the preservation of the account against loss to a better informed competitor. Such well informed insurance counsellor can definitely explain the charge for the risk assumed, thereby intelligently satisfying the prospect on the need of the coverage.

"In every crisis throughout the United States, such as tornados, floods, fire catastrophe, the advance guard to preserve property values are the insurance company engineers who work with the municipalities and public utilities to preserve equipment from further damage.

"All of the foregoing refers to the di-

rect damage losses. In addition, the companies write a valued form of use and occupancy insurance for any period of time the insured contemplates interruption of business. This coverage is written concurrently with the direct property damage coverage and the rates are based upon the amount of per diem coverage and the period of time for which protection is desired.

"The companies also write what is known as the outage form of insurance, which takes care of the increased operating expenses because of the necessity of purchasing power from outside sources because of the failure of the machine. This coverage is an hourly basis for such length of time as the assured buys the protection.

"The companies also issue a form of insurance known as expediting coverage which covers the additional expense for the immediate restoration of the damaged equipment and includes such items as double time, overtime, express, use of airplanes, etc. It is obvious that if use and occupancy or outage coverage is carried, there is no need of expediting coverage. Expediting coverage is optional and can be purchased under the direct damage contract. The companies also issue a form of coverage known as consequential damage insurance, which protects the loss of merchandise through the failure of refrigerating equipment, heating systems in greenhouses, etc."

Cover Outside Boiler Explosion!

The question, "How can an owner protect his property from loss or damage as a result of the explosion in the boiler of a neighboring or adjacent property?" propounded at a meeting in Kansas City of the Insurance Buyers Conference of the Associated Industries of Missouri, might have been readily answered by the statement that such protection is afforded in policies of all of the steam boiler writing companies.

The casualty offices have long issued contracts indemnifying assured for damage resulting from boiler explosions in properties other than their own, the hazard being recognized as an insurable one.

If, as frequently happens, the owner of a new and thoroughly modern building desires protection for damage caused not alone by a steam boiler located on the premises, but from that resulting from explosion in an adjoining or nearby building, such indemnity is available. It may be obtained through en-

dorsement on the policy of the owner of an adjacent building, or, if the latter is unwilling to grant the concession, through the medium of an independent contract. The person seeking the additional interest coverage of course pays the necessary added premium, which is 50 percent of the charge for the primary cover, providing the same units are scheduled. If these latter are increased or reduced from the direct policy, the premium is altered accordingly.

Dauwalter Has Busy Schedule

NEW YORK—Within the next 30 days engagements of F. S. Dauwalter, director Business Development Office, include addresses before the Boston Real Estate Exchange, Oct. 19; Factory Insurance Association at Hartford, Nov. 2-4; California Agents Association, Hollywood, Nov. 8-10, and the Illinois Agents Association at Rockford, Nov. 17-18.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Wisconsin Mutuals to Meet Program for Kansas Agents

Two Day Gathering at Milwaukee Starts Oct. 27 — Mortensen, Cooper and Brown to Speak

The annual convention of the Wisconsin State Association of Mutual Insurance Companies will be held at the Schroeder Hotel, Milwaukee, Oct. 27-28. About 250 agents and company executives are expected.

The program for the convention is as follows:

Wednesday, Oct. 27

Registration and luncheon.
1:30 p. m.—Convention called to order.
President's address — Henry Welbrencht, secretary Badger Mutual Fire, Milwaukee.

Talks by Commissioner Mortensen of Wisconsin; Harry P. Cooper, secretary National Association of Mutual Insurance Companies, Indianapolis; B. Rees Jones, president Town Mutual Dwelling, Des Moines; C. S. Laidlow, assistant secretary Minnesota Farmers Mutual, Minneapolis, and Garfield W. Brown, American Mutual Alliance, Chicago.
7 p. m.—Banquet.

Thursday Morning, Oct. 28

Address—R. J. Mitchell, Fond du Lac, Wis.

Address—G. T. Sullivan, Oshkosh, Wis.
Mutual Insurance School—Leaders: A. C. Fuge, secretary West Bend Mutual Fire, West Bend, Wis.; M. F. Ziehm, agent, Hortonville, Wis.

Afternoon

Sales Demonstration: E. M. Schimmels state agent Implement Dealers Mutual Fire, Milwaukee; E. C. Grissman, agent, Hartford, Wis.; Clarence Tess, special agent Manitowoc Mutual Fire; E. P. Hocking, G. A. Jacobs Agency, Janesville, Wis.

Mutual Insurance School—Leaders: L. L. Sicker, secretary American Mutual Fire, Milwaukee; G. E. Possin, agent, Waupun, Wis.

The First Gary Corporation, 728 Broadway, Gary, Ind., has been incorporated by Benjamin Kalos, Ewart Kersey and Pauline Stern.

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Detailed Setup for Convention to Be Held at Topeka, Oct. 27-29 Is Announced

The completed program for the annual meeting of the Kansas Association of Insurance Agents, to be held at the Jayhawk Hotel, Topeka, Oct. 27-29, has been announced. The regular convention sessions will be held Oct. 28-29, with a golf tournament and get-together dinner the previous afternoon and evening. Many of the agents are expected to stay over for a night football game between Washington College and Colorado College. The program follows:

Wednesday, Oct. 27

Registration.
Golf tournament, Topeka Country Club.

Dinner and meeting of the state executive committee and past presidents of state association, as guests of the Topeka Board of Fire & Casualty Underwriters.

"A Trip Through Underwriters Laboratories," a sound motion picture presented by C. R. Welborn, secretary Underwriters' Laboratories, Chicago, followed by a get-together with the Kansas Blue Goose as host.

Thursday Morning

Meeting called to order by President H. O. Tinklepaugh, Kansas City. Welcome, Mayor H. C. Barrett. Response, Frank T. Priest, Wichita, vice-president.

President's annual report.
Report of secretary-treasurer, Wade Patton, Hutchinson.

Appointment of committees.
Address, W. C. Hodges, manager Kansas Inspection Bureau.

Address, Charles F. Hobbs, Kansas commissioner.

"Fidelity Bond Development," Spencer Welton, vice-president Massachusetts Bonding.

Luncheon for women agents and girls from local agencies.

Luncheon bridge for agents' wives, guests of Blue Goose Auxiliary.

Afternoon

Address, William Quaid, vice-president Home of New York.

Address, "National Association," speaker to be announced.

Kansas Business Development report, H. O. McIntosh, state agent Hanover.

Address, Business Development Program, Wallace Rodgers, assistant secretary Western Underwriters Association.

Address, "Consumers Cooperatives," Bert E. Mitchener, Hutchinson, past president Kansas Association of Insurance Agents.

Discussion.
7:30 p. m., banquet, James M. Brier, president Topeka Board of Fire & Casualty Underwriters, presiding.

Awarding of golf prizes.
Banquet speaker, Tom Collins, Sunday editor Kansas City "Journal-Post."

Dancing.

Friday Morning

Breakfast Conferences: For agents in cities over 2,500, Sam Reynolds, Kansas City, presiding; for agents in cities under 2,500, Alex Case, Marion, presiding.

Field men and company officials invited to attend either breakfast conference.

Report of breakfast conferences, Messrs. Sam Reynolds and Case.

Reports of membership committee, Cheney Prouty, Kansas City; legislative committee, F. H. Reed, Wichita; national councillor, James D. Gilmore, Independence.

Address, "Highway Patrol and Safety Education," J. B. Jenkins, superintendent Kansas Highway Patrol.

Report of rural B. D. O. program, Alex Case, agents' chairman.

Discussion.
Report of resolutions committee.

Report of nominating committee and election of officers.

Invitations for 1938 convention to be presented to the executive committee.

Discussions.
Adjournment.

Rawlings, Greer Join Hands

The Insurance Inspection & Engineering Co., 1015 Transportation building, Detroit, was recently organized by Edward V. Rawlings and Frank J. Greer. Mr. Rawlings was with the Michigan Inspection Bureau for four years and then was with the Underwriters Adjusting for the same length of time. Later he had 10 years company field experience. His father was the late Ralph Rawlings, who was president of the Monarch Fire. Mr. Greer, after 14 years with the western department of the Boston and Old Colony, joined the Monarch Fire as vice-president in charge of field operations.

In addition to the regular inspection information, this company furnishes a photograph of the risk and additional pictures of any particular hazard. Rating and engineering service is available to companies, field men and agents on a fee basis. The management believes that there is a distinct field for rating service on the small and medium class buildings.

New Illinois Rate Books

Rate books were published by the Illinois Inspection Bureau during September for:

Augusta, Browning, Bunker Hill (changed from 9th to 8th class), Bureau, Cherry Valley, Elburn, Fairview, Fayetteville, Highland Park, Liberty, Lodge, Mansfield, Plainville, Raymond (class changed from 10th to 9th), Warrenville (class changed from 10th to 9th), Weldon and West Brooklyn.

Takes Over Fraser Agency

DETROIT.—Gilpin & Graham, have taken over the S. A. Fraser agency, established in 1914, and Mr. Fraser has been appointed vice-president of the combined agency. Gilpin & Graham was formed in 1936 by A. W. L. Gilpin, president and treasurer, and Wm. L. Graham, vice-president and secretary.

Will Make Rule State Wide

The Michigan Association of Insurance Agents, it is announced, intends to enforce the in-and-out rule statewide as soon as possible. It is bringing about a separation of stock and mutual companies. Some of the agents insist on representing mutuals and reciprocals but this will be a bar to membership.

Rural Fire Protection

MONROE, WIS.—Favorable replies are being received by Fire Chief Kundert on the reorganization of the Rural Fire Protective Association, comprising 200 members who have been under contract 10 years but expiring in January. Members have been paying \$50 for the 10-year period and \$25 for calls on the fire department for protection in case of fire. The new setup with more modern equipment and facilities will provide membership for only \$30 and individual fire alarm calls at \$15.

Assessment Protestor in Jail

LANSING, MICH.—The sentencing of G. C. Gilliland, Detroit, to 30 days in the county jail for contempt of court left leaderless a move of a large number of former members of the defunct Lapeer Mutual Fire of Lapeer to resist an assessment attempt by the receiver, W. G. Simpson.

Judge Carr, who granted the department's petition for a receivership two

Presiding Over Missouri Local Agents Meeting



MORRISON L. CLEVLEN,
Poplar Bluff, Mo.

President M. L. Clevlen of the Missouri Association of Insurance Agents, a man of dynamic force and robust personality, is presiding over the annual meeting of his organization being held this week at Columbia, Mo.

years ago, sentenced Gilliland, who appears to have solicited the former members to resist the projected assessment and offered his services as an "investigator" on a fee basis. Gilliland during the hearings directed opposition to the assessment and sat with counsel hired by the protesting former members, although he is not himself an attorney. The contempt citation followed revelations by a court officer to the effect that Gilliland had made disparaging remarks regarding the court's conduct of the hearings.

Piccard Minneapolis Speaker

MINNEAPOLIS — The Insurance Club of Minneapolis opened its fall activities with an imaginary flight into the stratosphere. They had as speakers Dr. and Mrs. Jean Piccard of the University of Minnesota, who have made several balloon trips to the higher altitudes. The luncheon meeting was sponsored by the Fred L. Gray Co.

McCay Is Joliet President

The Joliet (Ill.) Insurance Agents Association elected new officers at the annual meeting, C. A. McCay, Oliver Realty Company, being named president. Other new officers are: Vice-president, Merle Read, Hicks-Mattson agency; secretary, Lloyd Jones, Jones agency; treasurer, Glen T. Hensel, Glen Hensel agency. The new executive board includes Stanley Monroe, chairman, Munroe Brothers; Ray Lennon, Lennon Brothers, and M. H. Hollingsworth, Illinois Securities Company. A membership drive is being planned and other activities of value to the members. The Joliet board is coextensive with state and National association and has 21 members.

Bar State Employees as Agents

The Ohio tax commission has issued an order forbidding full-time employees of that department to write insurance. An investigation is being made as to how one of the employees of the commission obtained an agent's license.



CAN IT BE A COINCIDENCE?

1935; 1936; and now 1937! The whole thing can't be a typographical error! Because for the third successive year the Camden Fire Insurance Association has been selected as one of the 50 leaders by the Direct Mail Advertising Association—the only stock fire insurance company so honored this year!

The Camden Fire Fighters Campaign, which won the award in 1935, has been succeeded by the more successful Camden Fire-Works Plan which received this year's kudos. 1936's winner—The Big Business Campaign—is still producing results for agents equipped to make surveys.

The Camden Fieldman will show you complete portfolios of these plans if you are interested. Just drop a line to Lex.



**CAMDEN FIRE
INSURANCE ASSOCIATION**

Camden, New Jersey

Celebrating Our 97th Year of Independence

IN THE SOUTHERN STATES

Companies Fear More Tax

Texas Legislature Through Jones Franchise Tax Bill Seeks \$3,500,000 Levy Annually

DALLAS.—The legislature in special session seeking taxes to the amount of \$14,000,000 to liberalize pensions have turned to the insurance companies for more funds and viewed the Jones franchise tax bill as a means of obtaining \$3,500,000 annually.

Insurance companies are fighting the proposed bill in committee hearings. They have some hope of defeating the measure, provided some other plan is offered to get the money, but so far that has not been proposed. The bill proposes to raise the franchise tax for companies from 60 cents to \$1 on \$1,000 capital stock up to \$1,000,000. It would eliminate all exemptions.

Col. William Thompson of Dallas, representing a large number of fire companies told the committee these companies are now paying 6½ per cent of their premiums as taxes, and that the proposed bill violates the rule of law that there shall not be double taxation. He claimed that companies are already heavily taxed on premiums and are exempt from a franchise tax.

Present Tax Burden Heavy

R. B. Cousins of Austin, representing another group of companies, told the committee companies are now paying 5½ per cent of all the tax collected by the state except that on gasoline and automobiles, and that they are not big enough or strong enough to stand more taxation.

Dewey Young of Dallas, informed the committee the proposed tax would increase the levy on domestic life companies doing business in Texas more than \$300,000 annually, place a double burden upon them and place them at a disadvantage with other industries.

Jerome Sneed of Austin opposed the section of the bill relating to mutual concerns. He demanded that the clause providing taxing the mutuals be stricken from the bill.

To place additional tax burdens on companies would result in similar laws in states having retaliatory laws, and would make the license in those states so high that Texas companies could not do business in them.

Losses in South Are About 10% Lower While Premium Increase Is 5%

By W. M. CHRISTENSEN

So far this year, the fire loss experience in eight states of the S. E. U. A. territory is satisfactory. These states are Georgia, Florida, Alabama, North Carolina, South Carolina, Virginia, Tennessee and Mississippi. It is estimated that the figures are from 10 percent to 12 percent less than the 1936 record, with both the frequency of losses and the amounts of claims reduced.

The number of losses for 1937 will approximate 52,000 to be handled by the Fire Companies Adjustment Bureau, according to R. E. Bruce, Jr., assistant general manager.

Some of the larger southern departments are experiencing a slight increase in rural losses and special hazard losses are running rather heavy.

Southern departments are showing about a 5 percent premium increase.

Storm losses have been almost nil so far but the hurricane season will not be over until about Nov. 5. There have been strong winds and heavy rains but the damage has been slight.

The offices of the Fire Companies Adjustment Bureau are busy, as are

many independents, but this is due largely to the large number of automobile collision losses. About 80 percent of the auto losses are collision.

Roper Southeastern Manager

ATLANTA.—S. C. Roper has been made southeastern manager of the Central Manufacturers Mutual of Van Wert, O., and the headquarters moved to Atlanta, with offices at 1315 Citizens & Southern Bank building.

Mr. Roper has been with the company for seven years as special agent in charge of South Carolina, Georgia, Alabama and Mississippi, with headquarters at Spartanburg, S. C.

New Birmingham Headquarters

BIRMINGHAM, ALA.—Fire insurance headquarters here are virtually established in the Jackson building. New tenants include E. G. Darling, Aetna Fire; James Dorris, Great American; W. L. Burnham, St. Paul F. & M.; P. W. Smith, National of Hartford; R. S. Greer, New York Underwriters; L. E. Perez, Corroon & Reynolds and O. C. Noble, A. H. Turner & Co.

The special agents desire to be near the Alabama Inspection & Rating Bureau which has offices in the building. The building houses the home offices of Bankers Fire & Marine and the Employers' of Alabama, the Alabama state offices of the Home of New York, as well as offices of several local agents.

Klair Resigns as Postmaster

LEXINGTON, KY.—W. F. Klair of the Klair & Scott Agency, veteran Democratic leader and postmaster here for the last year, has resigned. Mr. Klair has been in poor health. Klair & Scott writes considerable tobacco and livestock business.

Some Richmond Activities

RICHMOND, VA.—R. B. Leary who has been associated with the local agency of Claiborne & Goddin here, is severing this connection to go with the local office of the Underwriters Salvage Company. He has seen service with the Virginia rating bureau and was formerly Virginia special for the old Pe-

Will Preside



WILL S. KEESE, Chattanooga, Tenn.

President Will S. Keese of the Tennessee Association of Insurance Agents will preside at the annual meeting of his body to be held in his home city this week. Mr. Keese is one of the active young men in the state who has taken a lively interest in association affairs.

tersburg Fire. He is a son-in-law of H. W. Kirkpatrick, Virginia special for Atlas.

B. P. Carter, manager in Virginia and North Carolina, has placed the State of Pennsylvania with Julius Straus & Sons in Richmond.

The annual meeting of the Richmond Insurance Exchange will be held Oct. 22. It has a membership of 42, having added several new members during the past year. Stuart Ragland is president.

Takes the Braniff Name

The name of the Roberts building, Main and Sixth street, Tulsa, Okla., was changed to the Braniff building, following the leasing of a large part of the floor space by the Braniff insurance interests. Supplementing the Braniff building at Oklahoma City, owned by the Braniff people, this gives Oklahoma two business buildings bearing their name.

Liscomb to Oklahoma Meet

Charles F. Liscomb of Duluth, new president of the National Association of Insurance Agents, is to represent the national organization at the annual meeting of the Oklahoma Association of Insurers in Oklahoma City, Oct. 18-19.

COAST

C. D. Lasher's Field Extended

Will Supervise Portland, Salt Lake City and Great Falls for Home—New Appointments Made

SAN FRANCISCO.—C. D. Lasher, who came to San Francisco nine months ago as manager of the Home of New York and affiliated companies, has had his duties extended to the general oversight of and cooperation with field forces at Portland, Salt Lake City and Great Falls in addition to Los Angeles.

Hugh S. Coburn, who was previously with the National Liberty and who became affiliated with the companies following consolidation, has been appointed assistant manager here, succeeding A. W. McKnight, resigned. Mr. Coburn for the past year has been special agent in the east bay territory. Previously he had served in the same capacity in the north coast territory and later in the south coast territory.

R. B. Matthews, special agent in the service department, has been appointed manager of that department.

Thomas R. Decker, special agent, has been transferred from the Philadelphia office to San Francisco and is assigned to the city department, assisting Paul A. Normand, associate manager.

To Vote on "Relief" Proposal

San Francisco Brokers Exchange Seeks Parity with Society of Insurance Brokers

SAN FRANCISCO.—A special meeting of the Insurance Brokers Exchange of San Francisco is to be held Oct. 20 to vote on a constitutional amendment which will place in the hands of the board of governors the authority to grant relief to its members.

The notice of the meeting points out that this action on the part of the exchange is prompted by action of the Society of Insurance Brokers, which last June adopted a similar rule in spite of the lack of approval of such activity by the Pacific Board.

"In order to put the members of our own exchange on an equality with other insurance producers," the notice says, "your board of governors and a special committee have spent considerable time endeavoring to reach a satisfactory answer to the problem. Numerous meetings have been held with representatives of the Pacific Board, at which times

every effort was made to have the actions of the society rescinded. This exchange has already gone on record, and still fundamentally believes to be true, that relief is the most vicious and dangerous sales argument that any insurance producer can use. If a certain limited group shall have the privilege, then our members also must have that privilege because there must be equality in insurance producers and salesmanship.

"By so doing, our members will have equal opportunities to safeguard their business, protect their clients' interests and serve their clients to the fullest extent."

California Educational Plan

State Association Arranges for a Statewide Course in Insurance Conducted by the University of California

The California Association of Insurance Agents has arranged with the University of California to give statewide instruction along insurance lines. There will be 15 lessons and the beneficiaries will be members of the organization, their employees and new people entering the business. Instructors will be sent to the cities under the university extension department and in outside places the instruction will be given through correspondence courses.

R. J. Kastner Retires from Active Service

Richard J. Kastner, Los Angeles, secretary, southern California department Corroon & Reynolds, is retiring from active service because of ill health, according to an announcement by R. R. Chapman, vice president. Mr. Kastner will remain as secretary handling executive work. He will be succeeded in other duties of his office by H. J. Thomsen, secretary eastern department, who is being transferred to Los Angeles.

Higher Losses in Oregon

Insured fire losses paid in Oregon during the first six months in 1937 increased \$343,771 as compared with the same period in 1936, Commissioner Earle reports. The actual losses amounted to \$1,200,215, increase \$455,156. The number of claims for the first six months this year was 2,184, a decrease of 167. Losses paid on account of dwelling fires amounted to \$182,606, food products \$144,380, mercantile contents \$118,735, farm dwellings \$103,199, mercantile and office building \$96,748, public buildings \$66,464.

Tells Salvage Bureau Work

PORTLAND, ORE.—At the October meeting of the Portland Insurance Exchange, State Agent Cliff Brice of Underwriters Salvage Bureau explained the work of his bureau.

Miller Agency Branches Sold

The Miller Insurance Agency of Butte, Mont., has sold its Missoula business to the Moon Agency, which is owned by Waterson Robb and Ben Cummings. Walter McLaughlin has purchased the Billings branch of the Miller agency.

Benson to San Jose

SAN FRANCISCO.—Warren B. Benson has been assigned to the San Jose office of the Fire Companies Adjustment Bureau as branch manager. He was formerly branch manager at Stockton, but was compelled because of poor health to take a leave of absence. Fully recovered, he assumes his new duties immediately. He has been with the bureau for seven years, as staff adjuster in the Los Angeles office and later branch manager at San Diego.

C. E. Cooper has been transferred to

the San Francisco unit as staff adjuster in the automobile casualty and special risk department. Staff Adjuster Hansen, specializing in automobile, casualty and special risk claims, will be assistant to Mr. Benson at San Jose.

Hear Talk on Contract Bonds

SEATTLE.—Syl Catelli of the General of Seattle group talked on "Contract Bonds" at a dinner given by the Seattle Blanket Club. Ray W. Johnson is the new president of the club.

Utah Date to Be Changed

The annual convention of the Utah Fire & Casualty Insurers' Association, scheduled to be held in Salt Lake City, Nov. 13, is to be changed. President Thomas Muir of the association said it was not likely the date would be advanced. "It may be a week later," he said. "We expect to decide the date definitely by the middle of October."

Conference Committee Named

PORTLAND, ORE.—The Oregon State Agents Association at a meeting here named a conference committee for the joint meeting with the companies' Oregon committee in San Francisco Nov. 18-19.

Commissioner Earle outlined the problems of his department in regard to continued activities of nonadmitted carriers.

The following were named on the casualty committee: J. T. Goodman, Portland, chairman; Fred Reed, Portland; H. F. Curtis, Portland; Merrill Ohling, Salem; E. M. Chilcote, Klamath Falls; Owen Beam, Albany, and B. M. LeFevre, Newberg.

New Law Partnership

LOS ANGELES.—Taylor, Kolliner, Bolton & Schwartz have formed a legal partnership.

Joseph D. Taylor, formerly a partner of the insurance firm of Holbrook, Taylor, Tarr & Reed, was for some years on the faculty as professor of law at Stanford University. Max G. Kolliner was also formerly connected with the same law firm. John S. Bolton, formerly with the law offices of Herbert W. Kidd, was for years affiliated with several prominent casualty, surety and marine insurance companies. John M. Schwartz for years has been a practicing attorney in tax matters. He was formerly with the department of internal revenue.

Also associated with this new firm is Howard W. Taylor, prominent medico-legal expert.

EAST

Stiffen Boston Board Rules

No New Members Until Number Drops Down to 60—Fix Annual Dues at \$100

BOSTON.—A full membership of the Boston Board turned out Wednesday for the double purpose of considering endorsement of the newly formed Service Men's Protective Association and a change in the constitution. It voted to limit membership to 60, to charge \$500 admittance fee for new members and retain annual dues of \$10.

Arthur D. Cronin, local broker, and Charles C. Hewitt, chairman of the board of directors of the association, addressed the board.

A special committee of six presented its report on a change in article 2 relating to membership, making a radical change in qualification, number and cost of membership.

In substance the new article provided that membership in the board should be limited to 60; no new members to be taken in until the present membership of some 68 had dropped below 60. New members would pay \$500 admission fee, or over, based on the pro rata worth of

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DIXIE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE CO.
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Pacific Department
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SAN FRANCISCO, CALIF.

Southern Department
Canal Bank Bldg.
NEW ORLEANS, LA.

Northwestern Department
Colman Bldg.
SEATTLE, WASH.

LOSSES PAYABLE IN ALL PARTS OF THE WORLD

the cash assets of the board, including the fund of some \$28,000 on hand. Upon retirement such new member would receive back an amount equal to the then pro rata worth of the cash assets. Old members of the board would pay dues of \$100 annually, instead of \$10 as at present. One condition which aroused much discussion was to the effect that "No new applications for membership in the board shall be considered if the company to be represented shall already have as Boston board members through any of its affiliations more than three of its affiliates already represented by other Boston board members."

Will Select Executive Manager

PITTSBURGH.—Selection of an executive manager for the newly re-organized Fire Insurance Agents' Association of Pittsburgh is expected to be made about Oct. 18, it is announced by H. P. Lichtenthaler, president. Tentative selection already has been made.

Boston Library Elects

W. B. Medlicott of Cambridge has been reelected president of the Insurance Library Association of Boston and D. N. Handy was reelected secretary. Mr. Handy reported that 16,409 persons called at the library rooms during the year and that 336 persons were enrolled in the evening classes in insurance. A prize of \$50 from Massachusetts Bonding was awarded to Frank D. Whipple, claim adjuster for Century Indemnity in Boston, a student in the evening classes. Allan L. Dow, Liberty Mutual, got the \$50 prize given by Employers Liability. N. B. Lee, a broker in the office of Boit, Dalton, Church & Hamilton, got the \$50 prize given by the Boston while Winchester Smith, United Mutual Fire, got the \$15 prize that the Boston offers. There were several \$10 prize winners.

Pittsburgh Starts Course

PITTSBURGH.—Introductory lectures at the second insurance school of the Insurance Club of Pittsburgh and the Pittsburgh board of education, to be held in the Frick training school for teachers, will be given the evening of Oct. 18 by John M. Thomas, president National Union Fire, and Deputy Commissioner E. S. Joseph.

The first subject of the school, "Fundamentals Common to All Branches of Insurance," will be presented Oct. 21 by A. C. Blumenthal of Benswanger, Hast & Herzog.

Mercantile Veteran Dies

A. U. Eddy, aged 80 years, for many years secretary-treasurer of the Mercantile Mutual Fire of Providence, died at his home in Kingston, R. I. He was a director of the Mercantile from the time of its founding in 1882 until his death.

CANADIAN NEWS

Mercantile Fire Absorbed

The Mercantile Fire of St. Hyacinth, Que., has been absorbed by the Canadian Mercantile of that place. The latter company was licensed Aug. 30 with an authorized capital of \$500,000, of which \$250,000 has been paid. It is a non-affiliated company writing business on both the cash and mutual plan. Under the cash plan it is written at a reduction of from 15 to 20 percent off tariff. Tariff rates are charged in the mutual division. It will write for the present in the province of Quebec. T. A. St. Germaine is president; Ireneau Auclair, vice-president, and E. Desgrose Illiers, secretary. L. C. Vallee is assistant manager.

Canadian Alliance Organized

The Canadian Alliance of Montreal has been organized with capital of \$100,000 and surplus of \$100,000 to write fire insurance. P. J. Perrin, who is

manager of the Fonciere Fire, Fonciere Transport & Accident and Sussex Fire, is manager of the new company. R. F. Gour is assistant manager; J. H. Chandler is secretary; R. B. Jones is treasurer and Arthur Duval, superintendent of agencies.

General Group Retires

Official notice has been given that the General of America, First National and General Casualty of America have retired from Ontario. Outstanding contracts have been reinsured with the Halifax Fire.

MARINE

Finds New Attitude on Safety

Capt. Holden Says Former Reactionary Influences of Steamship Men Are Being Removed

KANSAS CITY.—A new attitude toward safety is found today on the part of steamship men, according to Capt. E. C. Holden, Jr., manager safety department United States P. & I. Agency of New York, who addressed a meeting of the National Safety Council here. He is general chairman of the council's marine section.

Traditions of the sea, which Captain Holden characterized as the most reactionary of all influences, have been a stumbling block in the development of safety engineering in steamship operations. "The old sea dog and those who felt that safety might reflect on their operating abilities have resisted the development of safety education," he declared. However, a change has come about and many steamship operators who formerly opposed everything new are now seeking to cooperate. The American marine insurance institution through persistent endeavors and manifestations of good faith has been able to get results. The accident prevention bureau on the Pacific Coast has been helpful.

Carrier Is Consultant

The insurance carrier, he said, should furnish assured a safety engineering service that will scientifically develop and establish safety education principles, safe practice standards, health data and information pertaining to living and safe working conditions. Application is the responsibility of steamship managerial organization. The insurance carrier stands in the position of an interested consultant.

Safe ship equipment, safe methods and safety minded men are the three factors involved in accident prevention.

The top management must be sincere in its attitude toward safety welfare. If it is not sincere, the subordinate officers will not take the matter to heart. Purchasing agents are likely to skimp and take chances.

Captain Holden advocated systematic ship inspections by safety engineers of the insurance carrier. This keeps all concerned on their mettle.

Each vessel, he said, should have a safety committee that meets regularly for consideration of its own safety problems and for making recommendations to the management.

If the steamship operator sincerely undertakes to improve safety conditions, it is likely to get the cooperation of employees. A shore safety organization must be established to pass on all ship safety minutes, take action on all recommendations and advise ship organizations. The insurance carrier should supply a monthly safety poster-bulletin service.

Marine Adjusters Organize

A new organization known as the Marine Loss Adjusters Club has been formed in San Francisco due largely to the efforts of Harry Stoddard, marine loss manager of the Home.

MOTOR

U. S. Ruling on F. O. B. Price May Help Insurance

Automobile insurance superintendents express the hope that a recent ruling of the federal trade commission regarding the advertising of f.o.b. prices by automobile manufacturers will produce an increase in collision premiums. The trade commission now prohibits manufacturers from advertising anything except so-called factory delivered prices, which is the cost of the car at the factory, ready to drive, except for freight and local taxes.

For several months most of the automobile manufacturers under a voluntary agreement have discontinued advertising the old f.o.b. prices which were far below the actual cost to the purchaser. However, the manufacturers did retain the old f.o.b. prices. About the only purpose they served was to prevent the various models from falling into a higher rating group for collision insurance. Now that the federal trade commission has given its ruling, automobile insurance underwriters hope that the f.o.b. prices will be entirely eliminated and the factory delivered quotations will govern the collision rating group into which a particular model is to fall.

Auto Adjusters' Banquet

The annual banquet of the Automobile General Adjusters Association of San Francisco is to be held Oct. 29. This is a stag affair attended by automobile loss men and repair company executives from the Pacific Coast. F. F. Seitz, Pacific National, is president.

Trailers Show Increase

LANSING, MICH.—Preliminary report shows there were 8,549 house trailers licensed in Michigan during the first eight months of 1937. Licensed trailers in the first eight months numbered 117,739, compared with 107,863 for all of 1936. Since the fall season, prior to winter vacationing in the south, is believed to be a heavy selling season for trailers, it seems probable that the figures will be considerably increased during the last quarter of the year.

An independent survey shows the number of house trailers produced in 1936 by 58 Michigan companies was 22,728. Their total factory value was given as \$14,213,628.

Life Insurance Lawyers Ponder Federal Control

(CONTINUED FROM PAGE 5)

unless it had the authority of the S.E.C.

In spite of the decisions, Mr. Cabaniss contended that it does not follow there can be no federal regulation under the commerce clause. Authorities agree that the federal government can exercise police power for the protection of the people. He dwelt at length on the case of the Kentucky Whip & Collar Co., which had a contract with the state to have convicts make its goods. Regulations prescribed that these goods must be labeled to show that they were made by convict labor. The concern then attempted to ship these goods into other states. The railroad declined to accept the shipment because the law had not been complied with, as some states prohibit the sale of goods made by convict labor. The Kentucky concern brought suit to compel the railroad to accept the shipment, but the court held that the government had power to prohibit the shipment of such articles as an instrumentality of commerce.

The Hobbs bills indicate that many authorities feel that Congress has power

to prohibit insurance companies operating in states where they are not licensed and hence do not comply with the laws of these states. It is generally recognized that the government has authority to prohibit the transportation of goods for harmful purposes. Therefore some distinguish between the transportation of "harmful" and "harmless" goods. Yet Mr. Cabaniss stated that the government has the power to prohibit the transportation of harmless goods if the laws of the states prohibit.

Indicates What May Happen

Mr. Cabaniss said the prohibition of the use of mails to defraud and the Hobbs bill requiring registration with the S.E.C. are indicative of what may happen to insurance later. Where there are state regulation laws and there is an absence of federal legislation on the subject, then the courts would probably hold that the federal government did possess sufficient police power to pro-

Statement of the Ownership, Management, Circulation, Etc., Required by the Act of Congress of August 24, 1912

Of The National Underwriter, published weekly at Chicago, Ill., for October 1, 1937:

State of Illinois } ss:
County of Cook }

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared John F. Wohlgenuth, who, having been duly sworn according to law, deposes and says that he is the Secretary of The National Underwriter Co., publishers of The National Underwriter, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.

Editor, C. M. Cartwright, Evanston, Ill.

Managing Editor, C. M. Cartwright, Evanston, Ill.

Business Manager, H. J. BurrIDGE, Hinsdale, Ill.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati.

E. J. Wohlgenuth, Cincinnati, Ohio.

C. M. Cartwright, Evanston, Ill.

H. J. BurrIDGE, Hinsdale, Ill.

G. W. Wadsworth, Chicago, Ill.

John F. Wohlgenuth, Hinsdale, Ill.

R. E. Richman, Hartford, Conn.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner, and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is (This information is required from daily publications only.)

John F. Wohlgenuth,
Secretary The National Underwriter Co.,
publishers The National Underwriter.

Sworn to and subscribed before me
this 25th day of September, 1937.

(Seal) James C. O'Connor, Jr.,
Notary Public.

(My commission expires July 27, 1941.)

hibit the transportation of goods. If it is considered that the use of the mails is detrimental to the financial health of the public, counsel for the government has argued that the police power should be invoked.

Mr. Cabaniss stated that if Congress passed an act to prohibit the mails to unlicensed companies on the ground that the public was harmed and fraud was practiced, such an act would probably be upheld. The use of the mails can be barred to spread harmful acts even if the product is more or less intangible.

L. C. Stebbins of Chicago stated in his opinion the United States Supreme Court had not definitely decided that insurance is not commerce. It has not been necessary, he argued, for this point to be decided. He said whether insurance is commerce depends on the meaning of the definition of interstate commerce. In *Paul vs. Virginia* the whole question to decide was whether Virginia had the power to legislate on the subject at hand. He said if Congress has not passed any legislation along that line then the states have full power to regulate. Until Congress acts he said that state legislation is valid.

Tax on Radio Broadcasts

Joseph O'Meara, Jr., associate counsel Western & Southern Life, called attention to an interesting case where the state of Washington passed a franchise tax on radio broadcasts. The radio station protested on the ground that these broadcasts extended beyond state bounds and therefore are not subject to this form of state regulation. He called attention to the fact that here was a case where the product was not material but consisted in the use of ether waves. The court upheld the radio concern on the ground its operations did extend beyond state lines and, therefore, should not be subject to a special state tax.

In the Deer Lodge case he said the New York Life was not engaged in commerce or dealing in any articles of commerce. He thinks that the tendency may be for the court to depart from the old courses and therefore modify its position. He called attention to the fact that banks have been forced to come in under the federal reserve system and join the F.D.I.C.

Mr. Cabaniss briefly stated that he maintained that Congress can regulate the instrumentalities of commerce.

J. C. Jones, Sr., St. Louis, said that the danger ahead is that the country may have federal regulation piled on state supervision if the United States Supreme Court has before it cases that are somewhat devious from those in the past. If Congress is upheld in some of its side issues then federal regulation of insurance may come. Mr. Jones said that it is far better to suffer present ills than run into further danger.

Sun's Canadian Experience

In the Underwriters Hand-Book of Ontario, published recently by THE NATIONAL UNDERWRITER, an unfortunate mix-up occurred in the showing on page 140 of the premiums and losses in Ontario of the Sun. The correct fire insurance premiums of the Sun for 1936 in Ontario should be \$227,594 and the losses \$96,991, instead of the figures given and the total premiums of the Sun should be \$287,808 and total losses \$127,975.

Indianapolis Election Oct. 19

The annual meeting of the Indianapolis Insurance Agents Association will be held Oct. 19. An attempt was made to inject some rivalry into the election by appointing two committees to bring in rival tickets. However, when the tickets were compared it was found that each committee had designated the same setup: President, R. C. Fox; vice-president, C. C. Duck; secretary-treasurer, J. W. Stickney. The only variation was in two names suggested for the board of directors.

Closing Scenes of Local Agents' Convention

(CONTINUED FROM PAGE 5)

law the chairman always becomes president.

There was plenty of presidential material in the executive committee. However, in the minds of almost all Mr. Menn stood out very prominently because of his long service, his faithful attendance at meetings, the constructive work he had done in the California association and the national body, and the manner in which he had headed the finance committee during the year.

Sidney Smith Not a Candidate

A movement was started for Sidney O. Smith of Gainesville, Ga., for the chairmanship. After he arrived at the convention he asked his friends to go no further as he did not want to appear antagonizing Mr. Menn. The two are old friends. Neither one desired to have any contesting nomination. Mr. Smith is a lovable, amiable man, who served on the executive committee and who did yeoman service during the organization of the Business Development Office. He gave his time, strength and money to the advancement of the agency cause. Owing to ill health and due to the fact that a devastating tornado laid his city low, he asked not to be reappointed on the executive committee. He would have been the unanimous choice for chairman had he remained. Many expressed the hope that he might be again seated on the committee and thus placed in line for the chairmanship next year. J. J. Roe, Jr., of Patchogue, L. I., who had been president of the New York association, was chairman of the nominating committee and stated that in the committee there was no dissenting voice, either for president or chairman.

Mr. Liscomb Held in High Esteem

Mr. Liscomb has the esteem of all in the organization. He is one of the strong oaks in the Minnesota insurance forest, is admired by the insurance people of that state and in his appearances before the National association his ingenuity and resourcefulness have been recognized. He presides in a finished way and his manner is most pleasing.

The most outstanding address of the convention was given by Bert E. Mitchner of Hutchinson, Kan., giving the result of his researches and study into the consumer cooperative movement. He received one of the most remarkable demonstrations that has ever been accorded at a national meeting. Not only will the National association send it out in pamphlet form but the Business Development Office will mail it to its 50,000 subscribers. Furthermore, the National association will be able to furnish the pamphlet in quantities to insurance people throughout the country who desire to distribute it. Undoubtedly this production of Mr. Mitchner's is the most important document of the kind that has been gotten together.

Insurance Merchandising Session

Those who attended the insurance merchandising session Thursday morning derived much benefit from it. It was apparent that many hoped to secure some practical benefits in a business getting way and they were not disappointed. One of the brightest features of this session was the summing up of what had been said by W. E. Harrington of Atlanta, past president, who acted as commentator. He said that out of the addresses that had been given it was plain that planned production and a definite campaign of soliciting are essential. There must be continuous service rendered to policyholders and it must be of a constructive and practical nature. Office efficiency must be correlated with the sales department. Companies should give definite suggestions to agents as to how to use the advertising material they

send out. Mr. Harrington said that all the various speakers stressed the effectiveness of planned methods. Lists of policyholders should be kept for production purposes. They may have one or more lines of insurance with an agency and yet they might be in the market for others.

Should Reach the Subject Soon

Often an insurance salesman uses too much time in visiting and does not reach the object of his visit soon enough. There is much to be gained in cultivating the men below the higher positions because they are likely to be promoted at any time. These contacts are most valuable. It is useful to keep in close touch with certified public accountants and enlighten them as to insurance matters as they have great influence with their clients. They often make suggestions along insurance lines.

If one uses an insurance survey there should be proper preparation before any approach is made. A survey backed by intelligence and knowledge is most excellent. If one is not competent to use the survey the result will be disastrous. A policyholder should always be convinced of the agent's intelligence and knowledge of the business and the value of his service. If an agent is able to render the right kind of service and becomes a master of his calling, the mutual competition problem is pretty much solved. Mr. Harrington brought out the fact that if the service that the agent gives is not worth the acquisition cost then one cannot be criticised for going to a mutual. The agent must justify his commissions. Any intelligent assured recognizes the value of real service. He is willing to pay more to get it. Very often an assured is convinced that a three-year premium program for him is desirable. The agent can map out a schedule for three years making the time of premium payment most convenient to the policyholder.

Has List of Questions

Mr. Harrington said that his office has compiled what he calls interest creating questions, that is, inquiries that solicitors can make of assured to draw out insurance needs and possibilities. He said that in presenting a survey to the assured, the saving of money should not be stressed. It may cost the assured more. The object of a survey is to furnish the policyholder a picture of his present insurance and other coverages that are desirable. It is to give him complete protection.

Mr. Harrington referred to George W. Carter's talk on boiler and machinery insurance and said that a very useful point in public relations had been brought out in the work that the boiler engineers and inspectors do along preventive lines, thus protecting life and property. This work, he said, has been kept in the background so far as acquainting the public with it is concerned.

A different approach is needed on machinery and boilers. Loss of use is very essential in machinery damage. That may be rather vital and hence use and occupancy is used as the approach. So far as boiler insurance is concerned, it is the prevention of loss that is essential. Mr. Harrington said that there is a vast field open for local agents in soliciting various lines of insurance regardless of the condition of the times.

H. H. Kelly's Talk

H. H. Kelly of Washington, D. C., safety division Bureau of Motor Carriers, Interstate Commerce Commission, in his talk said that the agent should contact with the district representative of his bureau who will be glad to go with him to the owners of trucks and buses and lay out a safety program for

them. He said that really local agents should become safety engineers. They should work in cooperation with the owners of trucks and buses in order to get a concern on a safety basis.

At the last session there promised to be a snarly tangle in parliamentary procedure. The report of the committee on revision of the constitution came up. It recommended that the number on the executive committee be increased from seven to nine and that the tenure of office be limited to three consecutive years unless there was some special demand for a continuance of the membership, the exception being the president, immediate past president and chairman. Inasmuch as the agitation for the revision started in North Carolina, T. G. Redden of Greensboro, president of the North Carolina association, following a statement by W. H. Bennett that there had been considerable discussion as to the need for revision of the entire constitution as some of the features were obsolete, moved that a special committee be appointed to make an entire revision and to include the amendments then before the organization but that the latter be temporarily delayed until there could be an entire revision. He was supported by W. B. Calhoun of Milwaukee. Evidently many in the audience were anxious at least to have the provision as to the executive committee go into effect at once. W. F. Stanz of Brooklyn moved to table the original motion. Then a substitute motion was offered which was ruled out of order by the chair. The motion to table was carried. It then developed that a large number of those voting did not understand the purport of the motion. The point was made that the revision might take two or three years before it is completed. Therefore it seemed advisable to get some of the new machinery in working order. There was considerable hubbub and finally Mr. Stanz withdrew his motion, opening the way for Allan I. Wolff of Chicago to move an amendment to the effect that the committee report at the next mid-year meeting. This solved the difficulty and the knot was untied.

D. C. Hancock, Richmond, Va., escorted Mrs. Wilson to the platform, where she and her husband were presented with a silver coffee service. Allan I. Wolff, Chicago, made the presentation, citing Mr. Wilson's record of service in 1933 and '34 in the Washington negotiations of the National as-

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sociation. Mr. Wilson responded briefly. The convention closed with a vote of thanks to the Dallas Insurance Exchange. W. B. Calhoun, Milwaukee, paid tribute to the Dallas Board and then performed his regular closing duty by leading "Auld Lang Syne."

H. H. Fuller of Chicago, deputy United States manager of the Zurich General Accident, who acts as the official photographer for THE NATIONAL UNDERWRITER, was present with his high powered camera and attracted much attention by his clever work. Some of Mr. Fuller's pictures appeared in the special convention issue last week and some more are in the current issue.

In addition to the Adolphus and Baker hotels where most delegates were housed, the overflow had to be accommodated in six other hotels.

One of the interested conventioners was George R. Brown, an insurance broker of Toronto, who was on his vacation. He attends National association meetings every alternate year and counts it as his vacation.

Scott at New Mexico Meeting

Assistant Secretary George W. Scott of the National Association of Insurance Agents left Dallas to go to Carlsbad, N. Mex., where he spoke this week at the annual meeting of the New Mexico association. W. L. Braerton of Denver, general agent, immediate past president American Association of Insurance General Agents, also went to the New Mexico meeting, he being on the program. Herbert Cobb Stebbins, Denver, secretary American Association of Insurance General Agents, and Frank England of Denver, secretary of the Colorado association, also went to the New Mexico meeting.

Lucky in the Awards

At the Dallas convention attendance prizes came thick and fast. Ordinarily there is just one prize for prompt attendance. At the different sessions there were four or five given. At one session Leonard Fuchs, Newark, N. J., J. E. Plamp, Louisville, J. S. McRae, South Boston, Va., and H. H. Lipps, Lewiston, Ida., were all awarded prizes.

The last session prizes were awarded to: G. C. Jordan, Dallas; H. F. Murphy, Pine Bluff, Ark.; Ray Bastian, Hinkley, Ill., and Cheney Prouty, Jr., Kansas City, Kan.

President's Inaugural Ball

Post-convention activities included the president's inaugural ball on Thursday night and a golf tournament on Friday. The change in the convention schedule brought the dance after the election of officers for the first time and thus allowed it to take on a new significance. The three Dallas fire companies were hosts at the dance and during the course of the evening bows were taken by G. G. Sheerin, vice-president Gulf; A. F. Pillet, president Republic, and E. T. Harrison, president Trinity-Universal. Fear that the exodus of some conventioners on Thursday afternoon would cause a slim attendance was unfounded, the grand ball room of the Adolphus proving inadequate to handle the 1,800 who tried to attend. The floor show was delayed about an hour and a half while the management endeavored to get every one within hearing distance.

Belknap & Wheeler, Dallas general agents, were hosts at the golf tournament and Dutch lunch at the Cedar Crest Country Club. The golf game attracted 66 contestants, while 225 turned out for refreshments during the course of the day. R. A. Belknap and J. A. Wheeler were on hand to greet their guests, assisted by a number of women office employees.

Jack Munger, of Munger, Wagner & Moore, Dallas, won the Alfred M. Best golf trophy at the tournament, held at Cedar Crest Country Club Friday, the closing event in Dallas with a score of 70, two below par. S. W. Creekmore, Fort Smith, Ark., was runner-up with a

75. Seventy golfers entered the tournament. The Nineteenth Hole, sponsored by Belknap & Wheeler, general agents of Dallas, was visited by nearly 200.

The problem of enlisting rural agents in their respective state associations and in the National association was discussed at length during the session for state secretaries and managers at the meeting of the National Association of Insurance Agents in Dallas. Varying conditions prevailed in the various sections so that opinions differed as to whether it was worth while bothering with small community agents who either couldn't or wouldn't pay even \$10 a year dues. Several raised the question whether or not an association should enlist rural agents state wide and pay for their National association dues. The consensus of opinion was that each state association would have to analyze the conditions and find a solution of the problem according to the rural conditions prevailing in the state concerned.

Consideration was given the form in which state association monthly bulletins should be made up, whether in magazine, printed or mimeographed tabloid news sheet or just a multigraphed purely official bulletin. There is, it appeared, no ordered form, it being left to the acting editor by the state administration, to "get out the paper" as he sees fit. Correlated factors in publication and distribution are also varied from the advisability or necessity, or both, of inviting and accepting advertising from general agents and companies; in carrying an exchange list with other state publications; in charging non-members a subscription cost; in carrying company executives on the free list; the question of advertising rates; the matter of news conflict with privately owned insurance publications made up and sold on a profit basis; of the difficulties experienced by many editors of furnishing items of a newsy and educational character.

Payment of Traveling Expenses Is Considered

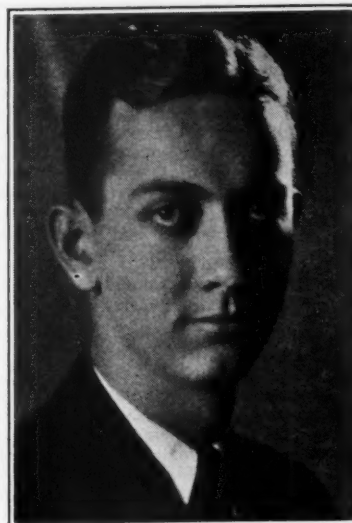
Of all the questions the payment of traveling expenses of officers and committees presented the most difficulties. In some states all such expenses are reimbursed while in other states there is no reimbursement whatever, the officers and committeemen being willing to contribute their expenditures for the general welfare. It was admitted this isn't fair to the men who contribute their time so freely and who make such business sacrifice, but that after all if they were in financial condition to do it, it worked both ways, satisfaction to themselves and beneficial effect to the organization.

Those who participated in the conference: D. G. Foreman, Texas; John A. Lloyd, Ohio; E. H. Moore, Alabama; L. R. Martin and C. C. Mitchener, Arkansas; John D. Saint, Oklahoma; S. G. Otstot, North Carolina; John G. Seidel, Wisconsin; John S. Cutter, Iowa; Frank Colridge and Elmer White, California; Wirt Yerger, Mississippi; A. C. Eifer, Florida; J. W. Rose, New York; Frank Moses, Pennsylvania; Peyton Bethel, Kentucky; F. F. Ludolph, Texas; R. Lea McClelland, Louisiana, secretary of the conference, and George Brown, Michigan, chairman.

Wants to Issue Valued Form

RICHMOND, VA.—Hearing on a petition of the Automobile Mutual of America for approval of the form and rates of a valued policy was held. J. G. Bohannon, counsel Virginia Rating Bureau, opposed the petition. Counsel for the company explained that under the provisions of its valued policy the owner in case of loss by fire or theft, is paid the amount of the policy regardless of the estimated value of the car at the time it was lost. Rates are 20 percent higher on pleasure cars and 10 percent higher on commercial automobiles than those now available in the state.

Son and Father Properly Arrayed



R. H. McLARRY



D. D. McLARRY

In the Local Agents Convention Number the picture of D. D. McLarry was printed but was identified as being that of his son, Richard H. McLarry, who is president of the Dallas Insurance Agents Association and was general chairman of the local arrangements for the big convention. Both father and son are prominent insurance Texans. D. D. McLarry, retired a few months ago

as general agent for the Home for the entire state. He went on a trip and just recently returned. He is acting in an advisory capacity to the Texas field forces of the Home and is now ensconced in a new office in the Great National Life building. Richard H. McLarry performed effectively as general chairman and had an exceedingly busy week.

New Mexico Agents Elect Howell Earnest President

(CONTINUED FROM PAGE 3)

ity that is placed in his hands by the insurance companies. Above all the agent should resolve every doubt in favor of the insurer when it comes to moral hazard. He should represent only companies in whose stability and business integrity he believes.

Title to Property

The agent must write his business so that title to the property and insurable interests are properly shown and the form attached to the policy is clear and unambiguous.

One of the agent's obligations to the assured is to keep abreast of changes so as to be able to furnish the best possible coverage.

All restrictive clauses or warranties that are made a part of the policy through the form attached should be explained to the assured, Mr. Braerton said.

Mr. Braerton declared that the opportunity exists to sell unearned premium insurance these days. Many large buyers are purchasing this cover. It fits into the currently popular premium financing set up, he pointed out.

One of the agent's functions, according to Mr. Braerton, is to assist his local governmental authorities in ascertaining what deficiencies there are in water or fire fighting equipment and how to improve them both. In this way the agent reduces the insurance cost to the public and the danger of serious fires. The agent should always strive to eradicate misunderstandings of the insurance business on the part of the public.

In the event of a loss, the agent should assure the policyholder that he is going to receive courteous and fair treatment.

The agent should always conduct his affairs as a business man, avoiding extension of long credits and inattention to collections. Good business men, he observed, expect to be paid for their services within a reasonable time.

Maryland Agents Hold Enthusiastic Annual Meeting

(CONTINUED FROM PAGE 3)

must be composed of honest and sincere men whose aims are threefold: To work unselfishly for the benefit of the public; to fulfill their obligations to companies, and promote the interests of the members. They must be willing to work together with no selfish, ulterior motive, scrupulous and well informed. Competition in business among the agents should be on a high plane and there should be no petty animosities.

Should Stress Public Service

He said that associations which judge their activities from the viewpoint of public service are most successful. Its legislative committee should be vigilant against legislation that would benefit the insured public. It should further an understanding relation between the insurance department and other bureaus which have public welfare in their charge. The association should be ready and willing at all times to help further safety work and fire prevention programs.

In the second place, such an organization should be of benefit to the companies. He cited especially the work done in connection with the Business Development Office in that connection. In the third place, it is of great benefit to the agents themselves. He referred to actual accomplishments of several state associations, such as educational programs, weeding incompetents and part timers, handling state insurance or large lines as an organization.

Several Inspections Scheduled

The Illinois State Fire Prevention Association has scheduled a meeting at Morris, Oct. 20, and Streator, Nov. 10. There will be an inspection of Park Rapids, Minn., Oct. 20. R. E. Vernor, Western Actuarial Bureau, is addressing a public meeting in connection with the inspection of Ypsilanti, Mich., Thursday of this week.

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(Continued next page)

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Dust Hazard, Traffic Safety Get Attention

(CONTINUED FROM PAGE 19)

sioner and chief of the medical section of the St. Louis health division, asserted organic dusts in industry may not be correctly considered to predispose the worker to infection. Belief that high mortality rates from tuberculosis in tobacco workers, shoe workers and tailors are due to organic dusts have been disproved, Dr. Spector said.

Autopsy studies of the lungs of 50 patients exposed for many years to organic dusts, he cited, showed no evidence of active tuberculosis. Mortality rates from tuberculosis, a disease often attributed to undernourishment, are unusually high among workers who handle food, he said. A recent survey of tuberculosis cases in industry by St. Louis health officials showed 45 percent of the people in the 10 high mortality groups either handled food or did housework.

He urged that because the servant, the cook, and the waiter have unusually high mortality rates, and since they represent frequent sources of infection to the community, control of tuberculosis in this economic group becomes a problem.

Citing cases even of noxious fumes and poisonous gases as attendant conditions in the air in certain industries, Dr. Spector termed "industrial tuberculosis" misleading. Regardless of how violent an effect inhaling the impurities might produce in the human system of themselves, he stated, tubercular infection takes place only in the presence of disease producing bacilli.

Two Percent Exposed

Approximately one million persons, or 2 percent of U. S. workers, are exposed to the hazards of silicosis, reported R. C. Starr, assistant safety engineer U. S. department of labor, in his talk on the work of the National Silicosis Conference to the quarry and cement section. "Silicosis," said Mr. Starr, "is strictly an occupational disease. Medical science has not reported silica dust as affecting any except those who, over a relatively long period of time, have worked in an atmosphere where the air they breathed contained excessive concentrations of free silica. The disease causes normal lung tissue to be replaced by fibrous or scar tissue.

"Full realization of the significance of the disease and its occurrence among various industries took place rather suddenly about 1932-33. This realization was manifested by a flood of claims in states providing compensation for silicosis and similar dust diseases and the large number of common law actions in states not compensating for the disease."

The cause for many of the claims was assigned to the depression by Mr. Starr. The effect of the silicosis scare was heightened by the lack of experience figures and the activities of less ethical lawyers and physicians, he said.

First Conference in 1936

As a result of the scare, the secretary of labor called a conference in Washington Feb. 26, 1936, of about 75 men, representing leaders in the industries having a silicosis problem, labor leaders and representatives of the medical, legal and engineering professions, as well as insurance carriers and state administrators. Four committees were named: one on prevention through medical control, another on prevention through engineering control, one on the economic, legal and insurance phases, and one on regulatory and administrative phases of the silicosis problem.

A fifth group, known as the correlating committee, was set up under the chairmanship of W. H. Cameron, managing director National Safety Council. First reports of the committees were made to the secretary of labor at a second conference Feb. 3, 1937, and a summary of the reports was published by

the division of labor standards. The complete reports are being edited and will be published soon.

"Silicosis can be prevented in three general ways," according to Mr. Starr. "First, prevent the creation of silica dust; second, prevent dispersion of dust into the atmosphere of the working area; and third, if the first two methods are impossible, use personal protective equipment, such as respirators, to prevent inhalation.

Prevention and Diminution

"The primary approach to the problem must be prevention and diminution of the hazard. However, the fact must be recognized that until silicosis has been wiped out, workers who now have the disease, along with those who may contract it, must receive workmen's compensation just as do those workers who are injured in accidents," Starr concluded.

The safest place for a good driver is in the modern motor car, thinks Dr. J. S. Thomas, president Chrysler Institute of Engineering, who spoke at the Congress twice. Safety is the first factor of a new automobile feature checked by engineers. Faultless steering knuckles, all steel bodies, double inner tube tires which will not blow out, sunken door handles, glareless headlights—these are a few of the safety features now on motor cars or coming.

Education is the key to traffic safety, thinks Gov. Cochran of Nebraska, who spoke at the Congress, and participated in the celebration that marked a record of 365 days in Kansas City without a child fatality from motor car accidents.

"The traffic engineer and the law enforcement officers cannot do it all," said Cochran. The Kansas City record is proof of the value of education. "These children have been taught; they will make both good drivers and good pedestrians. Don't forget that over 50 percent of fatal traffic accidents involve pedestrians."

Nebraska Drivers' Law

The Nebraska driver's license law has teeth in it, said Gov. Cochran, provides revocation for violation, for inspection of the automobile, and sets aside 2 percent of the collections under it for public safety education. This, it is estimated, will be \$10,000 a year.

Judge H. H. Porter of the municipal court, Evanston, Ill., made the report of the "committee on the driver" on tests for intoxication in drivers. The committee recommended the definition: "The expression 'under the influence of intoxicating liquor' covers not only the well known and easily recognized conditions and degrees of intoxication, but any abnormal mental or physical condition which is the result of indulging in any degree in intoxicating liquors, and which tends to deprive the driver of that clearness of intellect and control of himself which he otherwise would possess. If the ability of the driver has been lessened in the slightest degree by the use of intoxicating liquors, then the driver is deemed to be under the influence of intoxicating liquor. The mere fact the driver has taken a drink does not place him under the ban of the statute unless such drink has some influence upon him, lessening in some degree his ability to handle said motor car."

Expensive Trucks

"Many \$50,000 damage suits have resulted from the careless and indifferent operation of a \$1,000 truck," asserted H. R. Grigsby, transportation superintendent Oklahoma Gas & Electric Co., in discussing vehicle maintenance. "Thousands of dollars are spent advertising and building good public relations, while thousands more are wasted by careless and indifferent operation of the equipment," he said.

"An operator who takes the attitude

that his insurance protects him from all losses has done very little thinking. Insurance may protect the business against excessive losses due to high damage claims, but there are many hidden costs not borne by the insurer, such as property damages usually borne by the insured, tieup of vehicles in the repair shop, loss of time, delays in schedules, and frequently loss of time of officials while investigating accidents or appearing at hearings.

"Furthermore, it is possible to secure desirable credits on the insurance rates because of good accident experience over a period of time."

Dr. Miller McClintock, director street traffic research bureau at Harvard, told the institute of traffic engineers that only a basic reconstruction of street and highway facilities will provide a solution to traffic problems. Traffic control signals or signs are makeshifts, and he urged construction of express streets on one level, pedestrian thoroughfares on another, and slower traffic streets at the ground level.

The cost of such reconstruction for the U. S. is estimated at 57 billions, but Dr. McClintock said he believed that in 40 years the resultant economies would make up that sum.

Lack of Rural School Safety

Nation-wide interest in the development and application of safety measures for the prevention of explosion in schoolhouses and other public institutions has resulted from the New London, Tex., school disaster, says Dr. David J. Price, U. S. Department of Agriculture research engineer.

One of the important developments from the Texas school explosion is the need for inspection and supervision of rural school buildings, during construction and before occupancy, says Doctor Price. "This inspection must include the heating and lighting equipment and similar installations from the standpoint of safety before school children are allowed to occupy the building." He recommends that these inspections be made each month by a group consisting of a member of the teaching staff, the building custodian, and a member of the local fire department.

S. L. Otis, Veteran Casualty Statistical Expert, Dies

NEW YORK—Stanley L. Otis, 67, head of the Otis Service of this city, died at the residence of his son in Scarsdale, N. Y. Mr. Otis was widely known in casualty circles, largely through his connection with the Bureau of Liability Insurance Statistics, forerunner of the National Bureau of Casualty & Surety Underwriters. When the bureau was formed, Mr. Otis resigned as chief examiner of the Michigan department to become chief aid to Stewart Marks, manager of the companies' organization. He succeeded Mr. Marks as manager on retirement of the latter, so continuing until the bureau was reorganized along present lines.

For a time he served as executive secretary of the Insurance Federation of New York, and was once mentioned for superintendent of insurance of this state. In 1923 he formed a service bureau for digesting legal decisions of interest to company executives and claim men. A charter member of the Casualty Actuarial Society he always maintained a close interest in its activities.

Settle National Guaranty Affairs

NEWARK.—Federal Judge Fake has awarded \$300 fees to the two receivers of the National Guaranty Fire of Newark, which was taken over by the insurance department in 1930. The fees equaled the cash balance after the stockholders were allowed a 50 cent a share dividend. This practically winds up the affairs of the company.

Takes Bennett to Task for Stand on Agency Pact

(CONTINUED FROM PAGE 3)

cording to Mr. Brashears, that numerous agents wrote to the authorities and requested individual rulings. Such individual applications met with an adverse ruling, Mr. Brashears stated, and such agents have been held to be employees and their compensation subject to the taxes imposed under the social security act.

"These promulgations of information through the medium of the 'American Agency Bulletin,' Mr. Brashears declared, 'have been misleading, and are not, in their tone, such as would convey to the agents the ruling that was made pursuant to the efforts of their spokesman.'"

Analyzes Bennett's Position

Mr. Brashears observed that Mr. Bennett takes violent exception to the claim of the companies that the proposed new agency agreement does not change the relationship that has always existed. The companies state that the agents always have been independent in their operations and the wording of the contract is in full accord with the practices that have for a long period of time existed. Mr. Bennett, he recalled, complains bitterly of the provision respecting return of commissions on canceled policies; takes exception to the provision that the agent shall be responsible for the premiums on policies issued as distinguished from the premiums actually collected by the agent; and objects to the provision that if the agent is in default in the payment of his balances control of expiration shall be vested in the company.

Mr. Brashears said that he has always understood that commissions were to be returned on canceled policies, that the

agent was responsible for extending credit and not the company and that therefore the agent was responsible for the premiums on policies issued, whether collected or not within the period allowed by the company for the payment of balances and that it has always been true that if the agent were in default title to the expirations is vested in the company.

Interpretation Is Controverted

Mr. Brashears analyzed a recent speech on the subject made by Mr. Bennett before the Vermont agents association. Mr. Bennett at that time said the proposed agency agreement divests the agent of ownership if he has not properly accounted for and paid over premiums for which he may be liable, and invests the company with such ownership. "This contention," Mr. Bennett said at that time, "the federal and state courts have denied in several cases, holding that the company has a claim on the expirations only for unpaid collected balances, to be enforced as are all other liens." Mr. Bennett cited the case of Alliance vs. City Realty Company, 52 Fed. 2nd. 271.

Mr. Brashears presented the text of that decision and stated that the ruling of the court in that case and in all other cases is in harmony with the America Fore agreement and the right of ownership is predicated on balances due the company whether collected or not, as distinguished from the claim of Mr. Bennett that it is predicated solely on collected balances.

Effects Detrimental

"I find that the form used by the America Fore group is in entire harmony with my conception of my relationship with the companies, based on an experience extending more than 30 years," he asserted, "and it would be exceedingly unfortunate if pique, pride of authority, or whatever else may have created this controversy, should be permitted long to continue, for its final ef-

fects cannot be other than highly detrimental to the interests of the agents."

It is important that the agents have a contract with solicitors that is clear and unambiguous as to their rights and independent action in the furtherance of their activities, he declared. The agent must bear in mind that the department will not rule on a hypothetical submission. It will make no ruling unless and until the contract in question has been actually executed and is before them for study, together with a statement of facts outlining the duties of the solicitor, his freedom of action, and such other material as will show his independence and that the agent is concerned not with the mode and manner by which the solicitor procures his business but solely with the result of his activities on behalf of the agency.

INSTRUCTIONS TO OHIO AGENTS

COLUMBUS, O.—The Ohio Association of Insurance Agents has advised its members not to sign any new agency contracts until such a time as the association's attorneys have had an opportunity to study the proposed contracts being submitted to the agents. Attention is directed to one clause in a contract which eliminates the allowance for postage. Care should be taken, it is declared, to see that the laws of Ohio are observed in the contracts and that the agents' individual rights are safeguarded.

Denouement Comes in Prolonged Battle

(CONTINUED FROM PAGE 3)

vania, North America, Great American, National Liberty, Sun, East & West, Bankers & Shippers, Aetna Fire, Rhode Island and Travelers Fire.

Marsh & McLennan-Case, Thomas & Marsh and the Case, Thomas & Marsh agency, which has a management arrangement with the former have represented Home, Aetna Fire, British America, North River, Fire Association, London and Century.

Officials of Marsh & McLennan-Case, Thomas & Marsh, have indicated clearly they have no intention of surrendering. That means this agency will continue to function in St. Louis on a non-board basis.

The final stand taken by the Aetna Fire paves the way for the Kreismann agency to seek readmission to the board. It was learned from a reliable source that Kreismann will forward an application for readmission within the next day or so.

It is anticipated that the decision of the Crane agency to seek readmission will be followed by similar action on the part of other agents who have been expelled by the executive committee.

Missouri Governor Fights Rate Compromise Move

(CONTINUED FROM PAGE 5)

Kansas City investment company. He said 'not to sign the bonds' he thought would 'make Missouri the laughing stock of the nation.' I felt that failure on my part as superintendent representing the state, to keep my part of the contract made with the insurance companies would make Missouri the scorn of the nation."

Folonia Is Indignant

Counsel for the companies involved in the state case have indicated they will resist to the utmost any attempt by Missouri to withdraw from the compromise.

R. J. Folonia of Chicago, chief counsel for the companies, and Homer Berger of Kansas City, have indicated they are prepared to go to the United States Supreme Court if necessary to compel Missouri to recognize the compromise. Mr. Folonia pointed out that the three-judge federal court at Kansas City had recognized the compromise and had

proceeded to distribute \$10,000,000 in impounded premiums on that basis.

"Our position is that the state is bound by the same standards of honor as an individual in fulfilling the obligations of a legal contract," he asserted. "We have carried out our part of the bargain and we don't propose to let the state welch on its agreement, if we can help it."

Gov. Stark said that in the federal case there were injunctions restraining the state officials from interfering with the collection of the 16½ percent increase in rates, while in the state case the court was merely asked to review an order of former Superintendent Thompson denying the increased rates.

Disband Florida Claim Group

JACKSONVILLE, FLA.—At the conclusion of a two-day meeting, the Florida Association of Claim Men voted to disband the organization. The local associations at Tampa, Miami and Pensacola will, however, continue to function.

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U. S. Treasury Bonds	\$1,618,037.96
Other Bonds	1,126,384.52
Stocks	144,581.00
Accrued Interest	23,718.47
Cash in Office and Banks	124,993.03
	\$3,037,714.98

LIABILITIES

Voluntary Contingency Reserve	\$ 537,714.98
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Surplus to Policy Holders	2,500,000.00
	\$3,037,714.98

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